

**Consulting Assignment**

**Carmelite Monastery  
Proposed Residential Development  
25 Watson Avenue  
Barrington, Rhode Island 02806**

**Report Date  
June 14, 2023**

**Effective Date  
May 17, 2023**

**Prepared For**

**Mr. Philip Hervey, AICP  
Town Manager, Town of Barrington  
Marshall Properties Inc.  
283 County Road,  
Barrington, RI 02806**

**Prepared By**

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**Table of Contents**

	<b>Page No.</b>
Letter of Transmittal .....	3
Development Scenarios .....	4
Sales Development (Subdivision) Approach .....	10
Condominium Unit Valuation.....	20
Discounted Cash Flow .....	34
Reconciliation and Final Value Estimate .....	44
Addenda .....	45
Certification .....	46
Contingent & Limiting Conditions .....	47
Definitions.....	49
Deed .....	50
Rhode Island Residential Market.....	57
Town of Barrington's GIS Map of Subject.....	66
Survey of Subject Property .....	67
Flood Map.....	68
Subject Photographs.....	69
Engagement Letter .....	71
Qualifications .....	74

June 14, 2023

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Mr. Philip Hervey, AICP  
Town Manager, Town of Barrington  
283 County Road  
Barrington, RI 02806

**RE: Consulting Assignment  
Proposed Residential Development  
Carmelite Monastery  
25 Watson Avenue,  
Barrington, RI 02806**

Dear Mr. Hervey,

In accordance with your request, we have conducted an inspection of the subject property, identified to us as 25 Watson Avenue, Plat 7, Lot 4 on the Tax Assessor's Plat Maps of the Town of Barrington, Rhode Island, in order to estimate the Market Value of the Fee Simple Interest in the property under the three Development Scenarios provided to us. The client and intended user for this assignment is Mr. Philip Hervey, AICP, Town Manager for the Town of Barrington. The intended use of this report is to estimate the Fee Simple Interest in the property under four Development Scenarios to aid the client and intended user in evaluating the subject's development potential. The effective date of this report is May 17, 2023, the date of our inspection.

The subject property is a 317,320± square foot (SF), or 7.29± acre, parcel of Residence 40 (R-40) zoned land improved with a 17,492± SF, two-story brick building that was previously utilized as a dormitory and known as the Carmelite Monastery. The building also contains a 7,416± SF finished basement and was constructed circa 1957. The subject site has 720.46± linear feet (LF) of frontage on the western side of Watson Avenue and 637.76± LF of frontage on the eastern side of Freemont Avenue. The site is irregularly shaped, partially wooded and slopes downward gently to the southwest providing it with distant views of the Narragansett Bay to the south.

The subject is currently owned by the Town of Barrington who purchased the property from the Roman Catholic Bishop of Providence on October 18, 2021 for a consideration of \$3,200,000 (\$10.08/SF of land) as recorded in Book 1773, Page 103 of the Town of Barrington's Land Evidence Records.

The subject had an original list price of \$3,500,000 and was on the market for 153 days prior to the sale's closing (MLS #1282121). The listing broker informed us that they received several offers on the property from developers, including one that was slightly higher, but ultimately sold the property to the buyer (the Town of Barrington) as they offered the best terms in the seller's opinion. The listing broker also informed us that almost all of the potential buyers and developers who made offers intended on demolishing the existing improvements to then subdivide the subject into multiple single-family lots.

The Town of Barrington, the subject's current owner, intends to explore the option of demolishing the subject's existing improvements, to make way for future development, subject to the approval of voters at a future Financial Town Meeting. We have been informed that they intend on selling the subject with approved subdivision / development plans in place. We have been provided with four Development Scenarios, all of which contain a mixture of single-family residential lots and condominium units. The Development Scenarios are as follows:

### **Development Scenario #1**



CARMELITE MONASTERY



Development Scenario #1a



CARMELITE MONASTERY

Development Scenario #2





### Development Scenario #3



### Summary of Development Scenarios

#### Development Scenario #1

<u>Development Scenario #1</u>				
Lot #	Use	Size (SF)	Acres	Units
1	Single-Family	18,500	0.42	1
2	Single-Family	24,500	0.56	1
3	Single-Family	24,500	0.56	1
4	Single-Family	24,500	0.56	1
5	Single-Family	30,000	0.69	1
6	Single-Family	21,000	0.48	1
7	Condos	68,500	1.57	12
<u>P</u>	<u>Park</u>	<u>104,544</u>	<u>2.40</u>	<u>0</u>
<b>Total</b>	<b>Residential</b>	<b>316,044</b>	<b>7.26</b>	<b>18</b>

<u>Single-Family Lots</u>		
	Size (SF)	Acres
<b>Min</b>	18,500	0.42
<b>Max</b>	30,000	0.69
<b>Mean</b>	23,833	0.55
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>6</b>	

### Development Scenario #1a

Development Scenario #1a				
Lot #	Use	Size (SF)	Acres	Units
1	Single-Family	22,000	0.51	1
2	Single-Family	24,500	0.56	1
3	Single-Family	24,500	0.56	1
4	Single-Family	24,500	0.56	1
5	Single-Family	30,000	0.69	1
7	Condos	68,500	1.57	14
P	Park	104,544	2.40	0
<b>Total</b>	<b>Residential</b>	<b>298,544</b>	<b>6.85</b>	<b>19</b>

Single-Family Lots		
	Size (SF)	Acres
<b>Min</b>	22,000	0.51
<b>Max</b>	30,000	0.69
<b>Mean</b>	25,100	0.58
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>5</b>	

### Development Scenario #2

Development Scenario #2				
Lot #	Use	Size (SF)	Acres	Units
1	Single-Family	25,000	0.57	1
2	Single-Family	25,000	0.57	1
3	Single-Family	25,000	0.57	1
4	Single-Family	8,500	0.20	1
5	Single-Family	12,500	0.29	1
6	Single-Family	30,000	0.69	1
7	Single-Family	24,500	0.56	1
8	Single-Family	24,500	0.56	1
9	Single-Family	24,500	0.56	1
10	Single-Family	18,500	0.42	1
11	Condos	68,500	1.57	12
<b>Total</b>	<b>Residential</b>	<b>286,500</b>	<b>6.58</b>	<b>22</b>

Single-Family Lots		
	Size (SF)	Acres
<b>Min</b>	8,500	0.20
<b>Max</b>	30,000	0.69
<b>Mean</b>	21,800	0.50
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>10</b>	

### Development Scenario #3

<b>Development Scenario #3</b>				
<b>Lot #</b>	<b>Use</b>	<b>Size (SF)</b>	<b>Acres</b>	<b>Units</b>
<b>1</b>	Single-Family	42,000	0.96	1
<b>2</b>	Single-Family	26,000	0.60	1
<b>3</b>	Single-Family	26,000	0.60	1
<b>4</b>	Single-Family	20,000	0.46	1
<b>5</b>	Single-Family	20,000	0.46	1
<b>6</b>	Single-Family	26,000	0.60	1
<b>7</b>	Single-Family	26,000	0.60	1
<b>8</b>	Single-Family	16,000	0.37	1
<b>9</b>	Single-Family	16,000	0.37	1
<b>10</b>	Single-Family	16,000	0.37	1
<b>11</b>	Condos	83,320	1.91	14
<b>Total</b>	<b>Residential</b>	<b>317,320</b>	<b>7.28</b>	<b>24</b>

<b>Single-Family Lots</b>		
	<b>Size (SF)</b>	<b>Acres</b>
<b>Min</b>	16,000	0.37
<b>Max</b>	42,000	0.96
<b>Mean</b>	23,400	0.54
<b>Median</b>	23,000	0.53
<b># of Units</b>	<b>10</b>	

The Development Scenarios are comprised of 5 to 10 single-family residential lots and one larger lot that will be improved with 12 to 14 condominium units. We have not been provided with building plans for the condominium units but have been informed that they will all be senior or age restricted (55+), free-standing, one-story units with a central parking lot. The condominium portion of the subject has been described as a “Pocket Neighborhood” which is a type of planned community that consists of a grouping of smaller residences, often around a courtyard or common garden. In addition to the residential units, Scenarios #1 and #1a also includes a 2.40± acre lot that will be used as a neighborhood park.

All of the Development Scenarios include a 220± LF pedestrian walkway extending westerly from Watson Avenue in the center of the property to the condominium units. In addition to the pedestrian walkway, Scenario #2 also includes the construction of a 440± LF public roadway connecting Watson and Freemont Avenues in the southern portion of the subject which will provide frontage for 3 of the single-family lots.

In the Town of Barrington, 20% of the units/lots in new developments or subdivisions are required to be affordable housing units. The subject will be required to provide 4 affordable units under Development Scenarios #1, #1a and #2 and 5 affordable units under Scenario #3. The client of this report has instructed us to assume that under Scenarios #1a, #2 and #3 all of the affordable units will be condominium units within the senior or age restricted (55+) “Pocket Neighborhood” and the units will be affordable to households earning up to 120% of the Town’s Average Median Income (AMI). Under Scenarios #1, 1 of the affordable units will be a single-family lot and the remaining 3 affordable units will be condominium units within the senior or age restricted (55+) “Pocket Neighborhood”.



The client of this report has requested that we value the subject property under the 4 Development Scenarios provided. In valuing the subject property under the 3 Scenarios, the following steps were taken:

1. The subject was inspected on May 17, 2023 by Zackery Durkin. The subject photographs contained herein were taken by Mr. Durkin during this inspection.
2. Subject property data and information regarding the 4 Development Scenarios was based upon this inspection, property data provided by the client, as well as information gleaned from the Town of Barrington's municipal records.
3. In developing the approaches to value, market data was collected from the municipal offices Barrington, Bristol County, our office files, published real estate reports, the State-Wide MLS, the Warren Information Service, and discussions with real estate professionals knowledgeable of the subject marketplace
4. Based on the information gathered, we determined that the most applicable approach to value for the subject was the Sales Development (or "Subdivision") Approach, a variant of the Sales Comparison Approach. This approach estimates value based on net income derived from development and sale of property components, commonly houses, house lots or in the case of the subject, condominium units and single-family housing lots. Incorporating elements of the Income Approach (notably Discounted Cash Flow Analysis) the technique relies on comparable sales to estimate basic product-unit price (i.e. houses, house lots or condominium units). The cost to develop the units, an allowance for developer profit and the time required to sell out the units were also determined based on available market data. The compiled results are a series of future net annual incomes which are then converted ("discounted") to a present value using an estimated, market-oriented "discount rate". The sum of these present values comprises the final Market Value of the subject under the 4 Development Scenarios.

The following extraordinary assumptions and hypothetical condition were employed in valuing the subject property under the 4 Development Scenarios:

1. We have been informed that the Town of Barrington, the subject's current owner, intends to explore the option of demolishing the subject's existing improvements, prior to the sale of any of the property's components (housing lots / condominium units), subject to the approval of voters at a future Financial Town Meeting. The conclusions formed in this report are based on the hypothetical condition that the subject's improvements have been demolished as of the effective date of this valuation.
2. We have also been informed that the Town of Barrington intends to approve development plans for any development on the subject, prior to sale. The conclusions formed in this report are based on the hypothetical condition that the proposed Development Scenarios have been approved as of the effective date of this valuation, and the subject is "shovel ready" under each Scenario.
3. We have not been provided with engineering or building plans for the subject and have assumed that the proposed developments are physically possible and could be pursued without any major additional development costs or expenses that are atypical for a development of this size.

4. We have not been provided with building plans or construction cost estimates for the senior or age restricted (55+) “Pocket Neighborhood” condominium units. We have assumed that each of the condominium units will be free-standing, one-level over a full basement, two-bedroom, two-bathroom units with approximately 1,500± SF of gross living area (GLA). Additionally, estimated construction and development costs/expenses have been projected based on our experience appraising similar developments and cost estimates provided by the Marshall & Swift Cost Handbook. This report is based on the extraordinary assumption that the subject’s projected development and construction costs are reflective of the actual costs to be incurred.
5. Based on our conversations with the client, we have assumed that the vacant, single-family residential lots will be available for purchase by end users and that the lot containing the condominium units will be purchased and developed by a separate developer or investor.
6. We have been requested by the client of this report to value the subject property under the 4 provided Development Scenarios. As such, we have not considered any of the limitations or requirements of the subject’s zoning district. Additionally, we have not considered any other potential developments scenarios or uses and have assumed that the subject’s Highest and Best Use is one of the 4 Development Scenarios.

### **Sales Development (Subdivision) Approach**

The Sales Development (Subdivision) Approach is a type of discounted cash flow analysis. The units in this case will consist of the 6 (Scenario #1), 5 (Scenario #1a) or 10 (Scenarios #2 & #3) single-family residential lots and 12 (Scenarios #1 & #2) to 14 (Scenarios #1a & #3) condominium units that will be constructed and sold by a developer.

Development assumptions and a discounted cash flow analysis follow the steps necessary to implement the Sales Development (Subdivision) Approach. The steps being: First, an opinion of the average market value of the vacant, single-family lots and condominium units is formed via the Sales Comparison Approach for the 4 Development Scenarios. Second, an absorption study was undertaken to measure the rate at which the units can be sold in the marketplace. Third, direct costs of development including infrastructure and construction costs, sales commissions, overhead, real estate taxes, and developer’s profit were estimated. Fourth, the last step was to develop a discount rate that would be sufficient to reflect the risk of the project under all 4 Scenarios.

The following valuation does not include consideration for financing.

## Vacant Single-Family Lots

Following next is the sale data used to form an opinion of the Market Value of the average vacant, single-family lot within the subject under the 4 Development Scenarios. Under all 4 Development Scenarios, the residential lots are primarily rectangularly shaped, primarily level and at street grade and contain access to all utilities along the lots' road frontage. A summary of the subject's vacant residential lots under the 4 Development Scenarios as well as Comparable Sales information utilized in forming an opinion of their Market Value is contained on the following pages:

### Scenario #1

<u>Single-Family Lots</u>		
	Size (SF)	Acres
<b>Min</b>	18,500	0.42
<b>Max</b>	30,000	0.69
<b>Mean</b>	23,833	0.55
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>6</b>	

### Scenario #1a

<u>Single-Family Lots</u>		
	Size (SF)	Acres
<b>Min</b>	22,000	0.51
<b>Max</b>	30,000	0.69
<b>Mean</b>	25,100	0.58
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>5</b>	

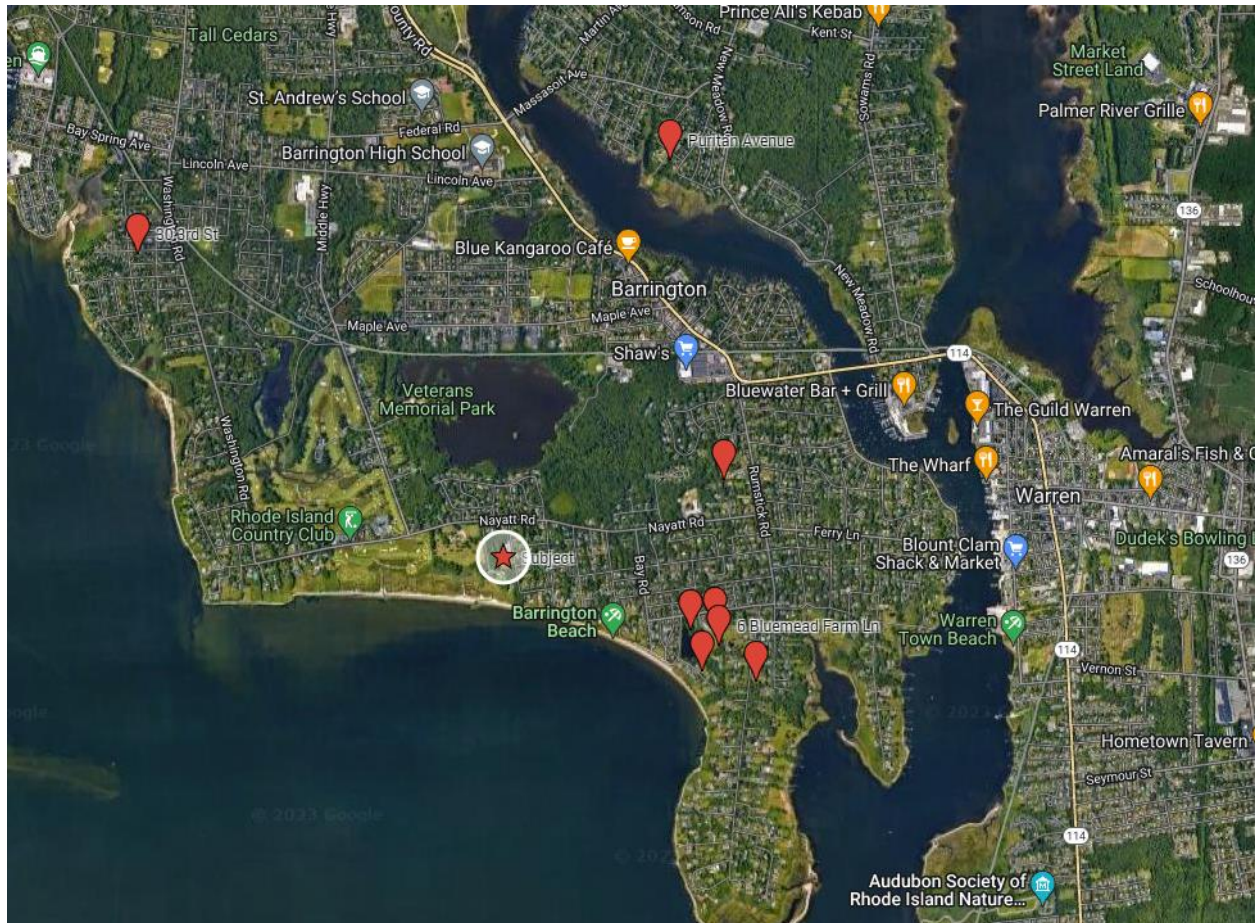
### Scenario #2

<u>Single-Family Lots</u>		
	Size (SF)	Acres
<b>Min</b>	8,500	0.20
<b>Max</b>	30,000	0.69
<b>Mean</b>	21,800	0.50
<b>Median</b>	24,500	0.56
<b># of Units</b>	<b>10</b>	

### Scenario #3

<u>Single-Family Lots</u>		
	Size (SF)	Acres
<b>Min</b>	16,000	0.37
<b>Max</b>	42,000	0.96
<b>Mean</b>	23,400	0.54
<b>Median</b>	23,000	0.53
<b># of Units</b>	<b>10</b>	

## Comparable Sales Map





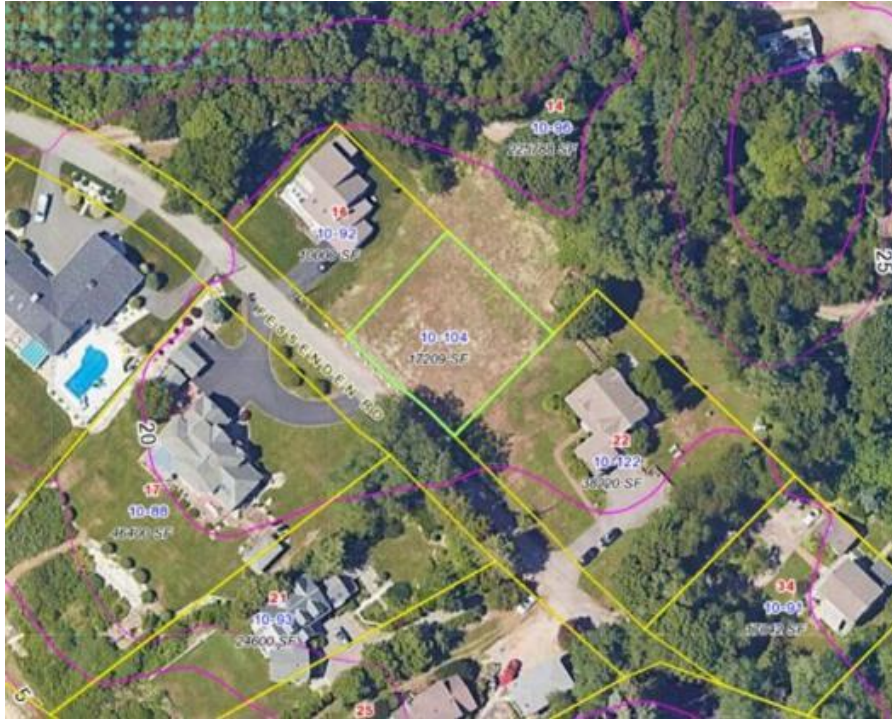
**Comparable Land Sale #1**  
**230 Rumstick Road, Barrington, RI**



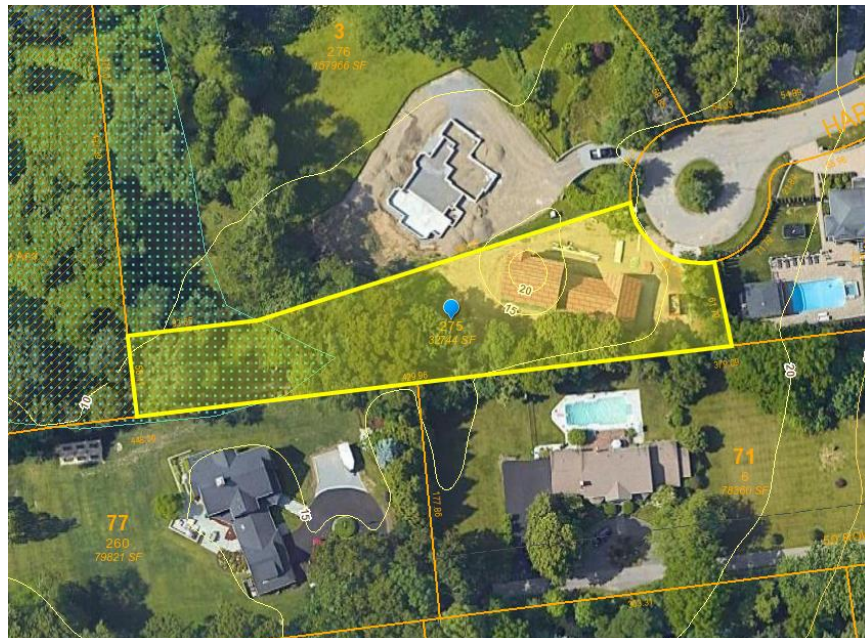
**Comparable Land Sale #2**  
**Puritan Avenue, Barrington, RI**



**Comparable Land Sale #3**  
**20 Fessenden Road, Barrington, RI**

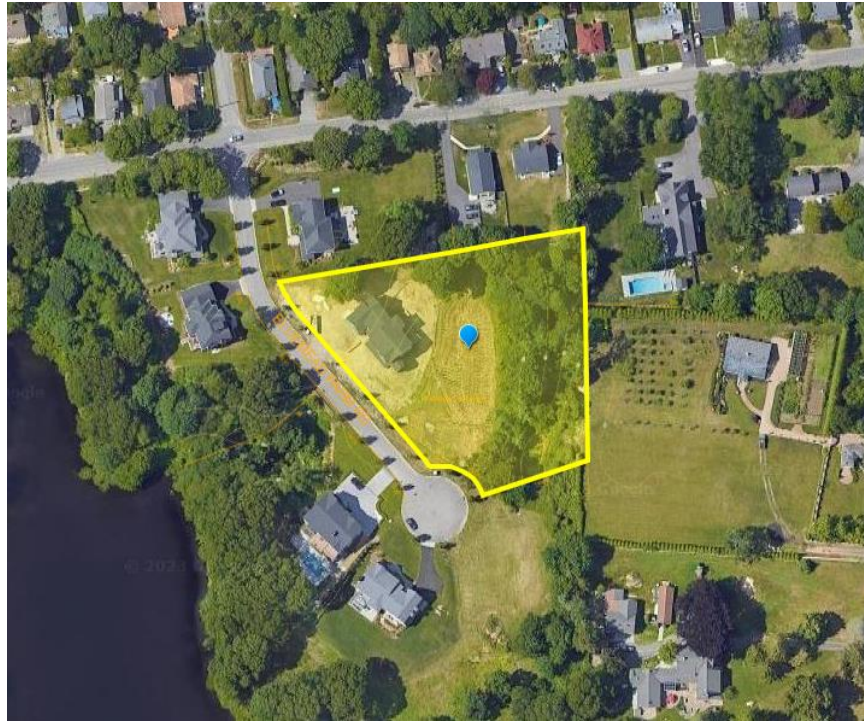


**Comparable Land Sale #4**  
**6 Hart Lane, Barrington, RI**

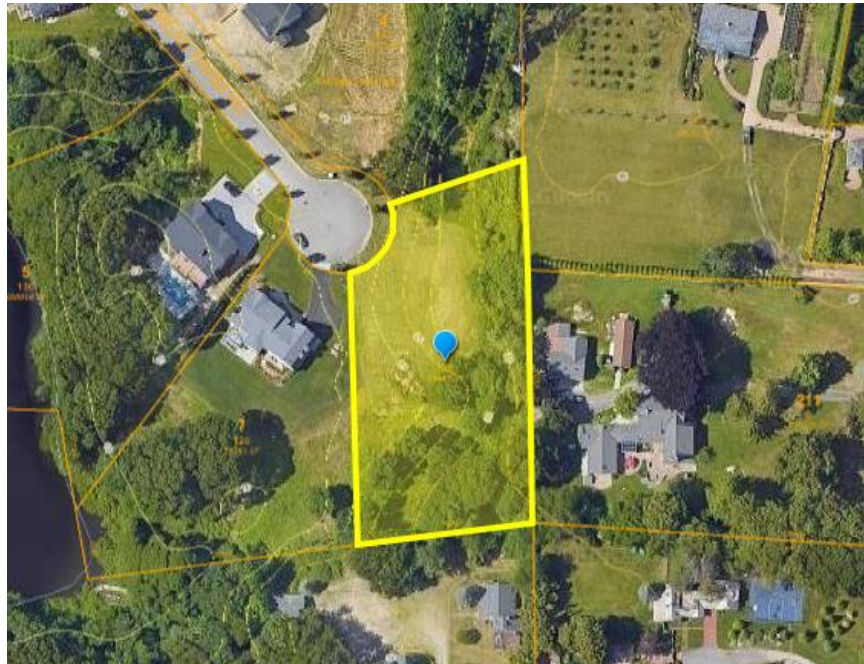




**Comparable Land Sale #5**  
**4 Bluemead Farm Lane, Barrington, RI**

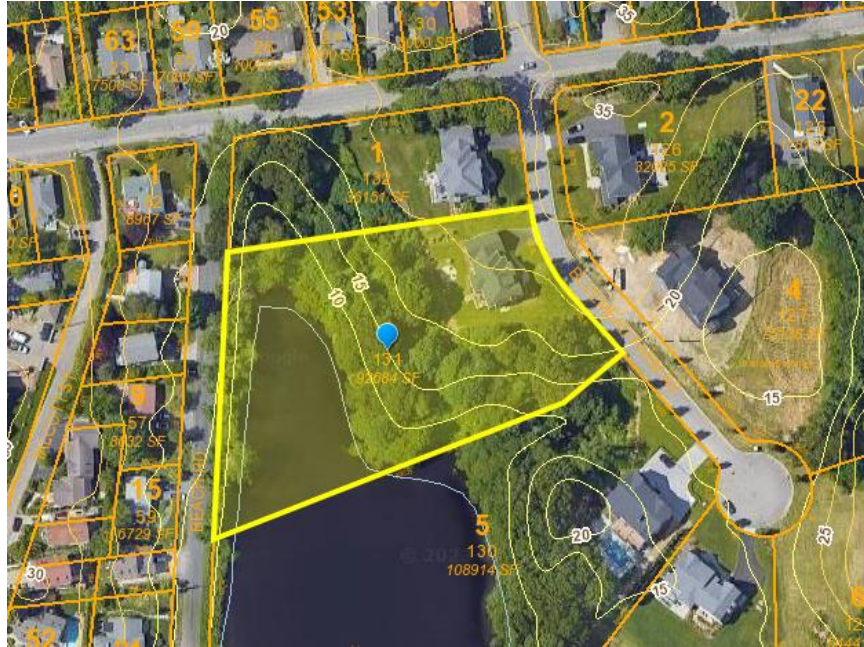


**Comparable Land Sale #6**  
**6 Bluemead Farm Lane, Barrington, RI**





**Comparable Land Sale #7**  
**3 Bluemead Farm Lane, Barrington, RI**



**Comparable Land Sale #8**  
**30 Third Street, Barrington, RI**





**Comparable Land Sale #9**  
**23 Chachapacasset Road, Barrington, RI**



### Comparable Land Sales

#	Address	Size (SF)	Effective Size	Sale Price	Sale Date	DOM	SP/SF	SP / Eff. SF	Notes
#1	230 Rumstick Road Barrington, RI	46,611	46,611	\$620,000	Feb-23	177	\$13.30	\$13.30	Cleared, single-family lot on the eastern side of Rumstick Road with 161.4 LF of frontage in the R-40 zoning district. The lot was subdivided from an adjacent lot and has access to area utilities. The lot contained approvals for a S.F. residence at the time of sale and was purchased by an end user.
#2	Puritan Avenue Barrington, RI	17,860	17,860	\$499,900	Jun-22	15	\$27.99	\$27.99	Primarily cleared, vacant, single-family lot on the eastern side of Puritan Avenue within a private beach association in the R-25 zoning district. The Lot is 550 LF north of the Barrington River, has distant views and has shared access to a dock. The lot contained approvals for a S.F. residence at the time of sale and was purchased by an end user.
#3	20 Fessenden Road Barrington, RI	17,209	17,209	\$570,000	Aug-21	40	\$33.12	\$33.12	Vacant, cleared lot located on the northern side of Fessenden Road within the R-25 zoning district. Narragansett Bay is located to the south and the lot provides water views, obstructed somewhat from the residences on the southern side of the roadway.
#4	6 Hart Lane Barrington, RI	32,744	18,744	\$450,000	Jun-21	510	\$13.74	\$24.01	Irregularly shaped, partially cleared lot located at the end of a cul-de-sac, west of Rumstick Road within the R-25 zoning district. The lot has approximately 14,000 SF of wetlands in the rear of the lot, reducing its buildable area. The lot was purchased by an end user for the construction of a S.F. residence.
#5	4 Bluemead Farm Ln. Barrington, RI	75,138	17,764	\$540,000	Mar-21	312	\$7.19	\$30.40	Vacant, partially cleared, irregularly shaped lot in the Bluemead Farm subdivision within the R-25 zoning district. The southern portion of the lot is encumbered by a 32,374 SF drainage easement that also negatively impacts another 25,000 SF in the eastern portion of the Lot, reducing the Lot's buildable area. The lot contained approvals for a S.F. residence at the time of sale and was purchased by an end user.
#6	6 Bluemead Farm Ln. Barrington, RI	54,441	54,441	\$605,000	Jan-21	332	\$11.11	\$11.11	Vacant, roughly rectangularly shaped parcel of land in the Bluemead Farm subdivision within the R-25 zoning district. The lot contained approvals for a S.F. residence at the time of sale and was purchased by an end user.
#7	3 Bluemead Farm Ln. Barrington, RI	92,684	42,684	\$550,000	Mar-20	145	\$5.93	\$12.89	Vacant, partially cleared, irregularly shaped lot in the Bluemead Farm subdivision within the R-25 zoning district. The rear of the lot contains a small pond and approximately 50,000 SF of wetlands reducing the Lot's buildable area. The lot contained approvals for a S.F. residence at the time of sale and was purchased by an end user.
#8	30 Third Street Barrington, RI	15,000	15,000	\$410,000	Oct-20	296	\$27.33	\$27.33	Vacant, cleared, rectangularly shaped lot located in the Alfred Drowne neighborhood in the northwestern portion of the Town within the R-10 zoning district. The lot does not have water views but is located approximately 0.2 miles east of the Bay and a public access way. The lot was purchased by an end user.
#9	23 Chachapacasset Rd. Barrington, RI	5,000	5,000	\$224,900	Sep-20	0	\$44.98	\$44.98	Rectangular shaped lot within the R-25 zoning district. This property was improved with a 1,192 SF residence in poor condition, requiring demolition. The broker for the sale estimated costs were \$20,000-\$30,000. We have included a demo expense of \$25,000 in our analyzed sale price (original sale price was \$199,900). The buyer improved the Lot with a 2,160 SF residence and sold the property in October of 2021 for a consideration of \$810,000.
	<b>Min</b>	<b>5,000</b>	<b>5,000</b>	<b>\$224,900</b>		<b>0</b>	<b>\$5.93</b>	<b>\$11.11</b>	
	<b>Max</b>	<b>92,684</b>	<b>54,441</b>	<b>\$620,000</b>		<b>510</b>	<b>\$44.98</b>	<b>\$44.98</b>	
	<b>Mean</b>	<b>39,632</b>	<b>26,146</b>	<b>\$496,644</b>		<b>203</b>	<b>\$20.52</b>	<b>\$25.01</b>	
	<b>Median</b>	<b>32,744</b>	<b>17,860</b>	<b>\$540,000</b>		<b>177</b>	<b>\$13.74</b>	<b>\$27.33</b>	

The Comparable Sales vary in size considerably, ranging from 5,000± SF to 92,684± SF with a mean indicator of 39,632± SF. Several of the Comparables (Sales #4, #5 & #7) contain areas of wetlands, easements or other site features that negatively impact the utility of portions of the sites, reducing the Comparables effective or useable land area. We have deducted the negatively impacted areas when analyzing the Comparable Sales based on their sale price per SF of effective (or useable) land area. However, we have analyzed and adjusted the Comparable Sales based on their total sale price given the relatively narrow ranged formed by the Comparable's sale prices.

The Comparable Sales occurred between September of 2020 and February of 2023. Sales #1 and #2 occurred in February of 2023 and June of 2022, times of similar market condition warranting no adjustments. The remaining Comparable Sales occurred between September of 2020 and August of 2021, times of inferior market conditions, warranting upward adjustments.

The subject's single-family lots are considered to be well located within Barrington and will have distant water views of Narragansett Bay to the south. Comparable Sales #2, #4 and #8 are considered to be located in inferior locales within the Town of Barrington, warranting upward adjustments. Comparable Sale #3 is located closer to the water, providing superior water views as compared to the subject, warranting slight downward adjustment.

Based on our research and analysis of the Comparable Sales, market participants pay a premium for larger lots but due to economies of scale, the decreasing value of each additional acre or SF, the premium paid for each additional acre or SF of land is less than the one before. We have utilized the average lot size for Development Scenario #1 (23,833± SF) in comparing the subject's land area to that of the Comparables'. With the exception of Sale #9, the Comparables' sale prices form a relative narrow range (\$410,000 to \$620,000) considering the wide range in the Comparables' land areas (15,000± SF to 92,684±) and effective sizes (15,000± SF to 54,441±). Comparable Sales #2, #3, #8 and #9 are smaller than the subject warranting upward adjustments. Comparables #4 and #5 are considered similarly sized warranting no adjustment. Comparables #1, #6 and #7 are larger than the subject warranting upward adjustment. Comparable #4 is an irregularly shaped parcel that is considered inferior to the subject, warranting a slight upward adjustment. All of the remaining Comparables are considered to have shapes and topographies that are similar to the subject, warranting no adjustment.

Prior to adjustments, the Comparable Sales ranged in price from \$224,900 to \$620,000 with a mean indicator of 496,644 and a median of \$540,000. After adjustments were applied, the Comparable Sales ranged from \$330,603 to \$616,455 with a mean indicator of \$526,133 and a median of 533,025. Sale #9 is significantly smaller than the subject's proposed lots and the remainder of the Comparable Sales. Excluding Sale #9, the Comparables' adjusted sale prices range from \$516,600 to \$616,455 with a mean of \$550,574 and a median of \$544,613. Based on the Comparable Sales and the subject's location, site characteristics and proximity to the Bay, we have reconciled an average value of **\$550,000** for the subject's market rate single-family lots under Development Scenario #1. The average lot size in Development Scenario #1a is slightly larger at 25,100± SF and in Development Scenarios #2 and #3, the average lot sizes are slightly smaller at 21,800± SF and 23,400± SF respectively. The difference in sizes between the four Development Scenarios is considered minor and would likely not meaningfully impact average lot values. As such, we have also reconciled an average lot value of **\$550,000** for Development Scenarios #1a, #2 and #3. It should be noted that under Scenario #1, one of the single-family lots will be an affordable housing lot which we have valued separately.

## Condominium Unit Valuation

All 4 Development Scenarios contain one larger lot that will be improved with 12 to 14 condominium units. We have not been provided with building plans for the condominium units but have been informed that they will all be senior or age restricted (55+), free-standing, one-story units with a central parking lot. The condominium portion of the subject has been described as a “Pocket Neighborhood” which is a type of planned community that consists of a grouping of smaller residences, often around a courtyard or common garden.

Valuation of the subject’s proposed condominium units presents several appraisal problems. The Town of Barrington only contains a small number of condominium units and those that do exist, are not considered comparable to the subject’s proposed units. The following table contains condominium market statistics for the Town of Barrington as provided by RI MLS:

Barrington Condominium Market											
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>May-23</u>
Median Price	\$180,000	\$0	\$0	\$190,000	\$199,000	\$0	\$0	\$235,000	\$355,000	\$365,000	\$317,500
% Change	-5%	-	-	-	5%	-	-	-	51%	3%	-13%
Average Price	\$180,000	\$0	\$0	\$190,000	\$199,000	\$0	\$0	\$235,000	\$331,250	\$352,357	\$317,500
% Change	-5%	-	-	-	5%	-	-	-	41%	6%	-10%
Sales Volume	1	0	0	1	1	0	0	1	4	14	1
% Change	-	-	-	-	0%	-	-	-	300%	250%	-
# of New Listings	3	2	0	1	1	3	1	2	7	13	
% Change	50%	-33%	-100%	-	0%	200%	-67%	100%	250%	86%	-
Days on Mkt. (Me	123	0	0	70	50	0	0	3	16	30	19
% Change	669%	-	-	-	-29%	-	-	-	433%	88%	-37%
Sale Price/ SF	\$202	\$0	\$0	\$215	\$224	\$0	\$0	\$266	\$307	\$336	\$381
% Change	-13%	-	-	-	4%	-	-	-	15%	9%	13%

Thus far in 2023, there has only been 1 condominium sale within the Town of Barrington with a sale price of \$317,500 (\$381/SF) and no other units are currently listed for sale. In 2022, there were 14 sales, with sale prices ranging from \$247,000 to \$400,000 with an average of \$352,357 (\$336/SF). All of these sales were located in the Bay Spring Crossing Condominiums which completed the construction of its third and final phase in 2021. The most recent phase consisted of 12 units within one, two-story building and 10 of the 2022 sales are located in this developments third phase. The complex consists of three, two-story buildings containing a total of 36 units located in the northwestern portion of the Town, approximately 0.5 miles south of East Providence/Riverside. While many of these units are recently constructed, similar to the subject, the units are of significantly inferior quality and all located in two-story, multi unit buildings, higher to the subject’s units which will all be free-standing, one-level units.

We have also looked in the neighboring municipalities of Warren and East Providence, the following table contains a summary of our findings:



East Providence - All Condominium Sales									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$133,000	\$900,000	\$338,862	\$165,000	\$950,000	\$390,330	\$205,000	\$890,000	\$407,720
Sale Price/ SF	\$127	\$486	\$255	\$214	\$489	\$273	\$229	\$325	\$272
Sales Volume	47			42			10		
Days on Mkt. (Median)	31			25			22		
Year Built	1910	2021	1991	1910	2022	1992	1971	2023	1994

East Providence - Condominiums Constructed 2015+									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$330,000	\$900,000	\$715,809	\$435,000	\$950,000	\$808,555	\$815,000	\$890,000	\$852,500
Sale Price/ SF	\$251	\$486	\$348	\$229	\$489	\$316	\$264	\$325	\$295
Sales Volume	11			9			2		
Days on Mkt. (Median)	55			51			16		
Year Built	2018	2021	2020	2017	2022	2021	2022	2023	2023
Unit Size (SF)	1,316	2,773	2,064	1,900	3,366	2,616	2,510	3,366	2,938

Warren - All Condominium Sales									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$120,000	\$1,279,000	\$464,692	\$65,000	\$807,000	\$366,300	\$231,000	\$1,029,000	\$551,438
Sale Price/ SF	\$190	\$424	\$257	\$126	\$380	\$258	\$189	\$370	\$309
Sales Volume	19			25			7		
Days on Mkt. (Median)	23			25			139		
Year Built	1900	2006	1982	1793	2022	1973	1980	2022	2002

Warren - Condominiums Constructed 2015+									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	-	-	-	\$499,000	\$530,100	\$520,175	\$300,063	\$519,000	\$414,688
Sale Price/ SF	-	-	-	\$337	\$358	\$351	\$261	\$370	\$327
Sales Volume	0			4			3		
Days on Mkt. (Median)	-			18			308		
Year Built	-	-	-	2022	2022	2022	2022	2022	2022
Unit Size (SF)	-	-	-	1,482	1,482	1,482	1,149	1,482	1,260

In both of the neighboring municipalities, there have been limited sales of condominium units that would be considered comparable to the subject's proposed units. Almost all of the sales of newly constructed condominium units within East Providence are located in Kettle Point, a 62 unit condominium development located on the eastern side of Narragansett Bay, south of Watchemoket Cove. While the units are all recently constructed, they are all either townhouse style or one-level units located in two- to three-story buildings that are larger than the subject's proposed units. Additionally, this development is not age restricted and is considered to be inferiorly located. In Warren, all of the newly constructed condominiums are located in a 17 unit complex located along Norbert Street, 2.7 miles east of the subject. These townhouse style units are all located in attached three-story buildings with garages on the first floor and are also not age restricted.

While the units are newly constructed and are more similar in size as compared to the subject's, they are considered to be in an inferior locale and their difference in construction style make them poor candidates for direct comparison to the subject.

Due to a lack of meaningfully comparable condominium sales in these areas, we have also researched sales in municipalities further south of the subject (Bristol, Portsmouth and Middletown). The following table contains condominium market statistics for these Towns as provided by RI MLS:

Bristol - All Condominium Sales									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$170,000	\$1,187,500	\$486,259	\$175,155	\$1,760,000	\$510,975	\$304,000	\$1,310,000	\$643,850
Sale Price/ SF	\$195	\$636	\$318	\$156	\$664	\$327	\$273	\$603	\$449
Sales Volume	54			44			6		
Days on Mkt. (Median)	45			33			34		
Unit Size (SF)	648	3,470	1,535	779	2,739	1,544	1,015	2,171	1,387

Portsmouth - All Condominium Sales									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$206,400	\$1,500,000	\$579,265	\$253,700	\$1,782,500	\$635,782	\$430,000	\$649,000	\$560,500
Sale Price/ SF	\$210	\$518	\$338	\$218	\$794	\$363	\$240	\$442	\$333
Sales Volume	70			43			6		
Days on Mkt. (Median)	157			93			113		
Unit Size (SF)	845	3,459	1,716	530	4,055	1,754	1,101	2,313	1,752

Portsmouth - Condominiums Constructed 2015+									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$410,000	\$586,000	\$461,250	\$405,000	\$799,000	\$616,600	\$430,000	\$649,000	\$539,500
Sale Price/ SF	\$252	\$296	\$274	\$263	\$426	\$336	\$295	\$326	\$311
Sales Volume	4			5			2		
Days on Mkt. (Median)	12			102			313		
Year Built	2015	2021	2018	2016	2021	2018	2017	2021	2019
Unit Size (SF)	1,417	2,321	1,702	1,538	2,200	1,828	1,318	2,200	1,759

Middletown - All Condominium Sales									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$206,400	\$1,500,000	\$579,265	\$325,000	\$1,600,000	\$595,667	\$395,000	\$529,000	\$456,167
Sale Price/ SF	\$210	\$518	\$338	\$211	\$916	\$382	\$204	\$405	\$307
Sales Volume	70			12			6		
Days on Mkt. (Median)	157			45			41		
Unit Size (SF)	845	3,459	1,716	789	2,312	1,593	976	2,007	1,562

Middletown - Condominiums Constructed 2015+									
	2021			2022			YTD 2023		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
Sale Price	\$316,900	\$659,000	\$475,180	-	-	\$653,999	-	-	\$395,000
Sale Price/ SF	\$238	\$374	\$304	-	-	\$283	-	-	\$405
Sales Volume	5			1			1		
Days on Mkt. (Median)	20			5			29		
Year Built	2015	2020	2018	-	-	2018	-	-	2019
Unit Size (SF)	1,050	2,312	1,586	-	-	2,312	-	-	976

In the Town of Bristol, there have not been any newly constructed or age restricted condominium sales (constructed 2015+) during the surveyed period.

In the Town of Portsmouth there have been three recently constructed condominium develops/unit sales during the surveyed period, however, none of them, nor any of the condominium sales within the Town, were age restricted. Immokolee Commons consists of 8, 2,200± SF townhouse style units within 4 buildings constructed circa 2021-22. Two of the units have sold and the remaining 6 units are pending sale with list prices ranging from \$749,000 to \$799,000 and an average of \$766,650 (\$348/SF). Seafare Condominiums is located on the western side of East Main Road and consists of 24, attached, two-story units within 10 buildings. The first units in this development were constructed in 2013 and 7 units were later constructed between 2017 and 2021. Three of the newly constructed sales are also located in Prescott Point a multi-building condominium development consisting of approximately 59 attached, one-level units. The first units were constructed in 2005 and additional units were most recently constructed between 2013 and 2018. During the surveyed period, 3 of the sales were constructed in 2015-18 and contained sale prices ranging from \$586,000 to \$799,000 with an average of \$716,667 (\$362/SF). During the surveyed period there was also an additional three sales within this development that were constructed circa 2005 and 2011, one of which was an affordable housing unit (sale price of \$374,000). Excluding the affordable housing sale, the five units ranged in size from 1,842± to 2,321± SF with an average of 2,034± SF and contained sale prices ranging from \$586,000 to \$906,500 with an average of \$760,300 (\$378/SF).

In the Town of Middletown there have been two relatively recent, age restricted condominium developments.

Bay Ridge Condominiums is located to the northeast of the intersection of East and West Main Roads and is comprised of approximately 60 attached, one-level units within multiple buildings. The development was constructed between 2008 and 2013 and also contains a common area swimming pool and tennis court. Over the surveyed period, 4 sales occurred within the development of two-bedroom, two-bathroom units ranging in size from 1,624 to 1,850 SF with an average size of 1,737 SF. These transactions occurred between July of 2021 and November of 2022, with sale prices ranging from \$520,000 to \$635,000 with an average of \$565,000 (\$326/SF).

Baily Brook condominiums is located on the eastern side of West Main Road, north of Oliphant Lane, and consists of 36 attached, one-level and townhouse style units within 13 buildings constructed circa 2018. The first sale in the development occurred in September of 2018 and all 36 units were sold by July of 2020 with sale prices ranging from \$399,900 to \$419,900. Over the surveyed period, 2, 2,312 SF units were resold with sale prices of \$550,000 (\$238/SF) and \$653,999 (\$283/SF).

In addition to the above, we have also researched several recent age restricted condominium developments throughout the State which we have summarized below:

<b>Complex Name:</b>	<b>Residences at Middleberry</b>					
<b>Address:</b>	Travelers Court, East Greenwich, RI					
<b># of Units</b>	43					
<b>Unit Style:</b>	Townhouse / Attached					
	2-Beds / 2-Baths					
<b>Year Built</b>	2018 - 2023					
<b>First Sale</b>	September-19					
<b>Last Sale</b>	April-23					
<b># Sold</b>	25					
<b># Und. Contract/Pending</b>	2					
<b>Listings</b>	3					
				<b>Previous Year (6 Sales)</b>		
	<b><u>Unit Size</u></b>	<b><u>Sale Price*</u></b>	<b><u>\$/SF</u></b>	<b><u>Sale Price</u></b>	<b><u>\$/SF</u></b>	<b><u>SF</u></b>
<b>Min</b>	1,433	\$277,927	\$194	\$628,800	\$286	1,875
<b>Max</b>	2,200	\$860,845	\$399	\$860,845	\$399	2,200
<b>Average</b>	1,999	\$636,513	\$314	\$747,941	\$355	2,115
<b>Median</b>	2,100	\$640,000	\$305	\$755,000	\$372	2,156
* Includes 2 Affordable Unit Sales						



<b>Complex Name:</b>	<b>Greenwich Commons</b>					
<b>Address:</b>	Gray Birch Lane, West Greenwich, RI					
<b># of Units</b>	24					
<b>Unit Style:</b>	One-Level / Detached					
	2-Beds / 2-Baths					
<b>Year Built</b>	2021					
<b>First Sale</b>	August-20					
<b>Last Sale</b>	July-21					
<b># Sold</b>	24					
<b># Und. Contract/Pending</b>	0					
<b>Listings</b>	0					
				<b>Previous Year (1 sale)</b>		
	<b>Unit Size</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>SF</b>
<b>Min</b>	1,448	\$339,900	\$232			
<b>Max</b>	1,475	\$475,000	\$322			
<b>Average</b>	1,458	\$345,624	\$237	\$475,000	\$322	1,475
<b>Median</b>	1,466	\$339,900	\$235			

<b>Complex Name:</b>	<b>Wickford Woods</b>					
<b>Address:</b>	Wickford Court, North Kingstown, RI					
<b># of Units</b>	40					
<b>Unit Style:</b>	Townhouse / Detached					
	2-Beds / 2-Baths					
<b>Year Built</b>	2018					
<b>First Sale</b>	May-19					
<b>Last Sale</b>	April-19					
<b># Sold</b>	40					
<b># Und. Contract/Pending</b>	0					
<b>Listings</b>	0					
				<b>Previous Year (1 sale)</b>		
	<b>Unit Size</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>SF</b>
<b>Min</b>	1,830	\$419,900	\$229			
<b>Max</b>	1,976	\$681,410	\$372			
<b>Average</b>	1,835	\$455,309	\$248	\$681,410	\$372	1,830
<b>Median</b>	1,830	\$442,426	\$242			

<b>Complex Name:</b>	<b>The Cottages at Weeden Farm</b>					
<b>Address:</b>	Joseph Court, North Kingstown, RI					
<b># of Units</b>	14					
<b>Unit Style:</b>	One-Level / Attached					
	2-Beds / 2-Baths					
<b>Year Built</b>	2022 - Ongoing					
<b>First Sale</b>	January-22					
<b>Last Sale</b>	March-23					
<b># Sold</b>	8					
<b># Und. Contract/Pending</b>	0					
<b>Listings</b>	3					
				<b>Previous Year (7 Sales)</b>		
	<b>Unit Size</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>SF</b>
<b>Min</b>	2,068	\$734,900	\$355	\$734,900	\$355	2,068
<b>Max</b>	2,068	\$870,000	\$421	\$870,000	\$421	2,068
<b>Average</b>	2,068	\$787,150	\$381	\$793,171	\$384	2,068
<b>Median</b>	2,068	\$785,700	\$377	\$802,400	\$388	2,068

<b>Complex Name:</b>	<b>South Shore Village</b>					
<b>Address:</b>	Chickadee Lane, South Kingstown, RI					
<b># of Units</b>	303					
<b>Unit Style:</b>	One-Level / Detached					
	2-Beds / 2-Baths					
<b>Year Built</b>	2016-2021					
<b>First Sale</b>	August-17					
<b>Last Sale</b>	May-23					
<b># Sold</b>	189	<i>(as per RI MLS)</i>				
<b># Und. Contract/Pending</b>	7					
<b>Listings</b>	0					
				<b>Previous Year (36 Sales)</b>		
	<b>Unit Size</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>Sale Price</b>	<b>\$/SF</b>	<b>SF</b>
<b>Min</b>	1,394	\$351,593	\$227	\$529,000	\$330	1,400
<b>Max</b>	2,028	\$848,768	\$486	\$848,768	\$486	2,028
<b>Average</b>	1,732	\$541,421	\$312	\$700,644	\$396	1,771
<b>Median</b>	1,778	\$524,255	\$305	\$718,934	\$406	1,778

Based on the proceeding sales information, with additional reliance placed on the condominium sales within the Towns of Middletown and Portsmouth, we have reconciled an average unit value of **\$650,000** (\$433.33/SF) for the subject's proposed market rate condominium units under all 4 Development Scenarios.

## Affordable Condominium Units & Single-Family Lot

In the Town of Barrington, 20% of the units/lots in new developments or subdivisions are required to be affordable housing units. The subject will be required to provide 4 affordable units under Development Scenarios #1, #1a & #2, and 5 affordable units under Scenario #3. The client of this report has instructed us to assume that under Scenario #1a, #2 and #3, all of the affordable units will be condominium units within the senior or age restricted (55+) “Pocket Neighborhood” and the units will be affordable to households earning up to 120% of the Town’s Average Median Income (AMI). Under Scenarios #1, 1 of the affordable units will be a single-family lot and the remaining 3 affordable units will be condominium units within the senior or age restricted (55+) “Pocket Neighborhood”.

We have spoken with a representative with Rhode Island Housing (RIH) who informed us that the potential sales price for affordable units is dependent on several factors such as current interest and mortgage rates, average median incomes (AMI) and condominium fees within a development. Sale prices are also dependent on the income level restrictions (80% vs 100% vs 120% of AMI) within the development and housing costs of units are restricted to 30% of AMI. Condominium fees and higher interest rates negatively impact the maximum sale prices of affordable units as they increase housing costs. RIH provides a Purchase Price Calculator to determine the price of affordable housing units in a given community at given AMIs. Assuming the subject’s affordable units would be limited to 120% of AMI, the affordable units could have sale prices of \$262,261 based on a three person household (two-bedrooms). This price assumes monthly condominium fees of \$300 and an interest rate of 6.40%, the current average mortgage rate for 30-year fixed mortgages as provided by Freddie Mac. Additionally, we were informed that sale prices can only be guaranteed for 90 days and then must be recalculated. We have projected that the affordable units will be able to achieve a sales price of **\$260,000**.

Under Scenario #1, 1 of the affordable housing units will be a single-family lot. Based on the maximum sale price for the affordable units, it is unlikely that a market rate developer would be interested in the affordable lot given construction costs and the maximum sale price once completed. In some cases, developers often donate, transfer or sell affordable housing lots in new subdivisions to charitable organizations or non-profits at significantly reduced rates as compared to market rate lots. We have found two relatively recent sales of affordable housing lots within the Town of Barrington in the Bluemead Farm Lane subdivision. The subdivision was required by zoning to provide 2 affordable housing lots. The two affordable housing restricted lots contained 11,813± SF and 10,965± SF of land and were sold together for a consideration of \$65,000 (\$32,500 per lot) in June of 2019 to S.W.A.P., LLC, a local non-profit that provides and builds affordable housing. The buyer improved the lots within single-family residences which they later sold for a consideration of \$289,000 and \$319,000 in October and September of 2020 respectively. Based on the sale above and the maximum sales price of the subject’s affordable lot if improved, we have projected a sales price of **\$40,000** for the affordable housing lot under Scenario #1.

We have given due consideration to the characteristics of the property’s location, physical characteristics and the 4 Development Scenarios. RIH also informed us that they currently are experiencing a lack of inventory and strong demand, similar to the greater residential market.

## Sellout Period and Development Expenses

The next step in valuing the subject under the 4 Development Scenarios is projecting a sellout time for the development as well as necessary development, construction and carry costs/expenses.

The conclusions formed in this report are based on the hypothetical condition that the proposed Development Scenarios have been approved as of the effective date of this valuation, and the subject is “shovel ready” under each Scenario. Additionally, based on our conversations with the client, we have assumed that the vacant, single-family residential lots will be available for purchase by end users and that the lot containing the condominium units will be purchased and developed by a separate developer or investor. To this end, we have prepared separate discounted cashflow analyses for the two portions of the subject under each Development Scenario (the vacant single-family lots and the condominium unit portions of the subject).

In determining applicable sellout rates, we have researched recent sales within the subject’s market as well as current demand and supply trends for similar units (vacant lots and condominium units). We also researched sellout rates for other new developments in the wider market area. Given current market conditions and our conversations with local brokers and market participants as well as the market appeal of the subject’s vacant single-family lots and condominium units once completed, we have projected that the vacant single-family lots will sell at a rate of 5 per year and the condominium units will also sell at a similar rate. We have projected that the single-family lots will be available for sale immediately, in Year 1. The construction and development of the condominium portion of the subject is also projected to begin immediately, with marketing beginning soon afterwards and several units constructed and sold in Year 1 and the remaining condominium units (market and affordable) constructed and sold in Year 2. The following table contains a summary of the projected sellout and construction timeline for the subject under the 4 Development Scenarios:

### Projected Sellout Period

Development Scenario	Market S.F. Lots	Affordable S.F. Lots	Single-Family Lots	Lot Sellout Time	Market Condo Unit	Affordable Condo Units	Total Condo Units	Condo Sellout Time
#1	5	1	6	1 Year	9	3	12	2 Years
#1a	5	0	5	1 Year	10	4	14	2 Years
#2	10	0	10	2 Years	8	4	12	2 Years
#3	10	0	10	2 Years	9	5	14	2 Years

### Condominium Units – Projected Construction & Sellout Period

Development Scenario	Year 1					Year 2			
	Roadway Completed	Units Constructed		Units Sold		Units Constructed		Units Sold	
		Market	Affordable	Market	Affordable	Market	Affordable	Market	Affordable
#1	NA	6	0	3	0	3	3	6	3
#1a	NA	7	0	3	0	3	4	7	4
#2	Year 1	5	0	3	0	3	4	5	4
#3	NA	6	0	3	0	3	5	6	5



## **Development Expenses**

### **Construction Costs**

**Roadway & Walkway:** The subject's proposed single-family lots are projected to be sold to end users who will be responsible for the construction of the single-family residences. The proposed lot containing the condominium units is projected to be sold to a developer who will be responsible for the development and construction of the units under all 4 Development Scenarios as well as the public roadway under Scenario #2.

All of the Development Scenarios include a pedestrian walkway extending approximately 220± LF westerly from Watson Avenue in the center of the property to the condominium units. In addition to the pedestrian walkway, Scenario #2 also includes the construction of a 440± LF public roadway connecting Watson and Freemont Avenues in the southern portion of the subject which will provide frontage for 3 of the single-family lots.

Based on the length of the proposed roadway, the subject's shape and topography, cost estimates provided by the Marshall & Swift Cost Handbook and our experience appraising other residential subdivisions and developments, we have projected construction expenses for the 440± LF roadway at \$450 per LF or \$198,000 which will be expensed and completed in Year 1. The costs of the pedestrian walkway are projected to be relatively minor, say \$50 per LF or \$11,000. The construction of the pedestrian walkway is projected to be completed and expenses in Year 1 under all 4 Development Scenarios.

**Condominium Construction Costs:** We have not been provided with building plans or construction cost estimates for the senior or age restricted (55+) "Pocket Neighborhood" condominium units. We have assumed that each of the condominium units will be free-standing, one-level over a full basement, two-bedroom, two-bathroom units with approximately 1,500± SF of gross living area (GLA). In projecting the construction costs of the proposed market rate and affordable housing condominium units, we have utilized cost estimates as provided by Marshall & Swift. Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), legal and insurance costs, local development fees and contingencies, and other miscellaneous costs. Research into these cost items indicates that an average property requires an allowance of about 15% of the total direct costs.

Our project condominium unit construction costs are as follows:

**Market Rate Condominium Unit Construction Costs**

MVS DIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Description	One-story Single-family	Basement	
MVS Building Type	One-Story Residence	Basement	
Number of Stories	1	0	
Height Per Story (Feet)	9.5		
MVS Section/Page	Good-15	Avg-28	
MVS Publication Date	December-21	December-21	
Quality Rating	Good-15	Average	
BASE COST / SQUARE FOOT			
Component GBA SF	1,500	1,500	3,000
MVS Base Cost \$/SF	\$148.00	\$27.00	
SQUARE FOOT REFINEMENTS			
Floor Covering	\$9.71	\$0.00	
Warm & Cooled Air	\$3.20	\$0.00	
Appliances	\$4.60	\$0.00	
Fireplaces	\$2.32	\$0.00	
Subtotal \$/SF	\$167.83	\$27.00	
COST MULTIPLIERS			
Current Cost Multiplier	1.040	1.040	
Local Area Multiplier	1.120	1.120	
Subtotal \$/SF	\$195.49	\$31.45	
DIRECT BUILDING COSTS MARSHALL VALUATION SERVICES			
Direct Building Cost Total	\$293,233	\$47,174	\$340,407
DIRECT BUILDING COSTS TOTAL	\$293,233	\$47,174	\$340,407
DIRECT BUILDING COSTS TOTAL \$/SF	\$195.49	\$31.45	\$113.47
MVS INDIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Direct Building Costs Total	\$293,233	\$47,174	\$340,407
Indirect Costs (Est.) 15.0% of Direct Building Costs	\$43,985	\$7,076	\$51,061
INDIRECT BUILDING COSTS TOTAL	\$43,985	\$7,076	\$51,061
INDIRECT BUILDING COSTS TOTAL \$/SF	\$29.32	\$4.72	\$17.02
MVS DIRECT & INDIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Direct Building Costs Total	\$293,233	\$47,174	\$340,407
Indirect Building Costs Total	\$43,985	\$7,076	\$51,061
FINAL MVS BUILDING RCN TOTAL	\$337,217	\$54,251	\$391,468
FINAL MVS BUILDING RCN TOTAL \$/SF	\$224.81	\$36.17	\$130.49

**Affordable Housing Condominium Unit Construction Costs**

MVS DIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Description	One-story Single-family	Basement	
MVS Building Type	One-Story Residence	Basement	
Number of Stories	1	0	
Height Per Story (Feet)	9.5		
MVS Section/Page	Avg - 19	Avg-28	
MVS Publication Date	December-21	December-21	
Quality Rating	Average	Average	
BASE COST / SQUARE FOOT			
Component GBA SF	1,500	1,500	3,000
MVS Base Cost \$/SF	\$111.00	\$23.00	
SQUARE FOOT REFINEMENTS			
Floor Covering	\$5.21	\$0.00	
Warm & Cooled Air	\$2.86	\$0.00	
Appliances	\$2.50	\$0.00	
Fireplaces	\$1.65	\$0.00	
Subtotal \$/SF	\$123.22	\$23.00	
COST MULTIPLIERS			
Current Cost Multiplier	1.040	1.040	
Local Area Multiplier	1.120	1.120	
Subtotal \$/SF	\$143.53	\$26.79	
DIRECT BUILDING COSTS MARSHALL VALUATION SERVICES			
Direct Building Cost Total	\$215,290	\$40,186	\$255,476
DIRECT BUILDING COSTS TOTAL	\$215,290	\$40,186	\$255,476
DIRECT BUILDING COSTS TOTAL \$/SF	\$143.53	\$26.79	\$85.16
MVS INDIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Direct Building Costs Total	\$215,290	\$40,186	\$255,476
Indirect Costs (Est.) 15.0% of Direct Building Costs	\$32,293	\$6,028	\$38,321
INDIRECT BUILDING COSTS TOTAL	\$32,293	\$6,028	\$38,321
INDIRECT BUILDING COSTS TOTAL \$/SF	\$21.53	\$4.02	\$12.77
MVS DIRECT & INDIRECT BUILDING COSTS			
BUILDING	1	2	TOTAL
Direct Building Costs Total	\$215,290	\$40,186	\$255,476
Indirect Building Costs Total	\$32,293	\$6,028	\$38,321
FINAL MVS BUILDING RCN TOTAL	\$247,583	\$46,213	\$293,797
FINAL MVS BUILDING RCN TOTAL \$/SF	\$165.06	\$30.81	\$97.93

Based on the above, construction costs for the subject's market rate condominium units has been estimated at \$391,468 which we have rounded to **\$400,000** per unit. Construction costs for the subject's affordable condominium units has been estimated at \$293,797 which we have rounded to **\$300,000** per unit.

**Real Estate Taxes:** The subject's current assessment and real estate tax burden is as follows:

<u>Plat Lot</u>	<u>Land</u>	<u>Improvements</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Taxes</u>
7 / 4	\$2,085,000	\$3,099,000	\$5,184,000	0.01965	\$101,866
<b>Total</b>	<b>\$2,085,000</b>	<b>\$3,099,000</b>	<b>\$5,184,000</b>		<b>\$101,866</b>

However, this valuation is subject to the hypothetical condition that the subject's current improvements have been demolished and the site is ready for development. The subject's current land assessment is \$2,085,000 equaling a real estate tax liability of \$40,970 or \$0.13 per SF of land. Real estate taxes for Year 1 of the condominium sellout are based on the subject's current real estate taxes per SF of land for Development Scenarios #1, #1a, #2 and #3. Real estate taxes for Year 2 are based on the market value of the condominium units. We have assumed a mid-period closing for each of the sales during the sell-out period thus only 50% of the tax burden for the completed units at the beginning of the period have been expensed.

Real estate taxes for the subject's single-family lots were calculated and expensed in a similar manner.

**Legal/Accounting for Lot Sales:** A legal and accounting expense of \$500 per sale is forecasted under Development Scenarios #1, #1a, #2 and #3.

**Overhead/Administration/Management:** Our file data supports an expense of 1.0% of gross sales for this expense category under Scenarios #1, #1a, #2 and #3.

**Marketing:** Sales commissions and marketing costs are estimated at 5.0% of the total gross revenue under Development Scenarios #1, #1a, #2 and #3.

**Discount Rate including Developer's Profit:** The discount rate applied to the available cash flows implicitly assumes a commensurate amount of risk and opportunity cost of capital for the particular investment. The components of risk include financial risk associated with the financial structure of the property (the relative level of debt to total capital), construction risk, and the relationship between fixed costs, total development expenses, and business risk directly related to the property's market. In examining an investment situation, an informed investor/director would weigh the perceived levels of financial and business risks against the expected return from the project. Profit is a market-derived figure that reflects the amount a developer expects to receive for his or her contribution and represents the degree of risk and expertise associated with the development of a project. Profit is generally difficult to estimate, as profit motivations typically vary among developers and tend to be within a fairly wide range depending on a combination of factors.

Some developers include developer profit in their discount rate; others represent it as a separate line item that is based on a percentage of gross revenue or project costs.

According to the RealtyRates.com 2Q 2023 Developer Survey report, "Prices continued upward, albeit at reduced rates, inventories were down slightly, and decreases in average discount rates for all Sell Out property types were reported during the 1st Quarter of 2023.



“Site-Built Residential Subdivision rates decreased an average of 20 basis points, while Manufactured Housing decreased an average 16 basis points during the 1st Quarter. Likewise, Commercial and Industrial Subdivision rates were down an average 18 basis points. Meanwhile, Residential Condominiums decreased 31 basis points awhile Commercial/Industrial Condominiums were down 29 basis points during the same period.

“Overall, pro-forma and actual discount rates moved largely in tandem, indicating a market consistent outlook by developers.

The following table contains Discount rates from the Realtyrates.com National Developer Survey:

<b>RealtyRates.com 2Q 2023 - Discount Rates</b>			
<b>National</b>	<b>Min</b>	<b>Max</b>	<b>Average</b>
<b>Site-Built Residential (Single-Family)</b>	13.98%	48.65%	31.47%
Less than 100 Units	13.98%	41.94%	28.10%
<b>New England</b>	<b>Min</b>	<b>Max</b>	<b>Average</b>
<b>Site-Built Residential (Single-Family)</b>	18.95%	41.22%	27.87%
Less than 100 Units	18.85%	35.53%	26.65%

In our analysis we have built entrepreneurial profit into the overall rate. Based on this information, the size of the development and conversations with local market participants, we have concluded that a discount rate, inclusive of profit, of 24% is reasonable for the condominium portion of the subject under Development Scenarios #1, #1a, #2 and #3. While this is slightly lower than the average rates contained above, it is reflective of the small scale and projected sellout period of the subject’s proposed condominium development as well as the limited amount of common area and site improvements necessary to complete the property under all 4 Development Scenarios.

For the vacant, single-family lot portion of the subject, we have concluded that a discount rate, inclusive of profit, of 20% is reasonable under Development Scenarios #1, #1a, #2 and #3. A slightly lower discount rate is warranted for this portion of the subject given the limited development and site expenses necessary for the single-family lots as well as the projected sellout times.

Development Assumption #1		
<b>Portion of Subject Property</b>	<b>Single-Family Lots</b>	<b>Condominium Units</b>
<b>Time Frame for Final Approval</b>	Assumed Completed	Assumed Completed
<b>Site Work/Prep. Completion</b>	NA	Year 1
<b>Infrastructure Completion (Roadway &amp; Pathway)</b>	NA	Year 1
<b>No. Units (Lots / Condo. Units)</b>	6	12
Market Rate Units	5	9
Affordable Units	1	3
<b>Price per Unit (Lots / Condo. Units)</b>		
Market Rate Units	\$550,000	\$650,000
Affordable Units	\$40,000	\$260,000
<b>Sell-out Period</b>	1 Year	2 Years
<b>Gross Sales Proceeds</b>	Refer to Model	Refer to Model
<b>Expenses</b>		
Infrastructure - Roadway & Walkway	NA	\$14
<b>Unit Construction</b>		
Market Rate Units	NA	\$400,000
Affordable Units	NA	\$300,000
Real Estate Taxes	See Narrative Description	See Narrative Description
Marketing Sales Commissions	5% of Gross Sales	5% of Gross Sales
Admin & General Expenses	1% of Gross Sales	1% of Gross Sales
Legal / Closing	\$500/Unit	\$500/Unit
<b>Discount Rate inclusive of Profit</b>	20.00%	24.00%
<b>Internal Rate of Return (IRR)</b>	19.86%	24.13%
<b>Overall Internal Rate of Return (IRR)</b>	22.17%	

Development Assumption #1a		
<b>Portion of Subject Property</b>	<b>Single-Family Lots</b>	<b>Condominium Units</b>
<b>Time Frame for Final Approval</b>	Assumed Completed	Assumed Completed
<b>Site Work/Prep. Completion</b>	NA	Year 1
<b>Infrastructure Completion (Roadway &amp; Pathway)</b>	NA	Year 1
<b>No. Units (Lots / Condo. Units)</b>	5	14
Market Rate Units	5	10
Affordable Units	NA	4
<b>Price per Unit (Lots / Condo. Units)</b>		
Market Rate Units	\$550,000	\$650,000
Affordable Units	NA	\$260,000
<b>Sell-out Period</b>	1 Year	2 Years
<b>Gross Sales Proceeds</b>	Refer to Model	Refer to Model
<b>Expenses</b>		
Infrastructure - Roadway & Walkway	NA	\$11,000
<b>Unit Construction</b>		
Market Rate Units	NA	\$400,000
Affordable Units	NA	\$300,000
Real Estate Taxes	See Narrative Description	See Narrative Description
Marketing Sales Commissions	5% of Gross Sales	5% of Gross Sales
Admin & General Expenses	1% of Gross Sales	1% of Gross Sales
Legal / Closing	\$500/Unit	\$500/Unit
<b>Discount Rate inclusive of Profit</b>	20.00%	24.00%
<b>Internal Rate of Return (IRR)</b>	20.06%	23.82%
<b>Overall Internal Rate of Return (IRR)</b>	22.25%	

Development Assumption #2		
<b>Portion of Subject Property</b>	<b>Single-Family Lots</b>	<b>Condominium Units</b>
<b>Time Frame for Final Approval</b>	Assumed Completed	Assumed Completed
<b>Site Work/Prep. Completion</b>	NA	Year 1
<b>Infrastructure Completion (Roadway &amp; Pathway)</b>	NA	Year 1
<b>No. Units (Lots / Condo. Units)</b>	10	12
Market Rate Units	10	8
Affordable Units	NA	4
<b>Price per Unit (Lots / Condo. Units)</b>		
Market Rate Units	\$550,000	\$650,000
Affordable Units	NA	\$260,000
<b>Sell-out Period</b>	2 Years	2 Years
<b>Gross Sales Proceeds</b>	Refer to Model	Refer to Model
<b>Expenses</b>		
Infrastructure - Roadway & Walkway	NA	\$209,000
<b>Unit Construction</b>		
Market Rate Units	NA	\$400,000
Affordable Units	NA	\$300,000
Real Estate Taxes	See Narrative Description	See Narrative Description
Marketing Sales Commissions	5% of Gross Sales	5% of Gross Sales
Admin & General Expenses	1% of Gross Sales	1% of Gross Sales
Legal / Closing	\$500/Unit	\$500/Unit
<b>Discount Rate inclusive of Profit</b>	20.00%	24.00%
<b>Internal Rate of Return (IRR)</b>	19.92%	24.11%
<b>Overall Internal Rate of Return (IRR)</b>	20.94%	

Development Assumption #3		
<b>Portion of Subject Property</b>	<b>Single-Family Lots</b>	<b>Condominium Units</b>
<b>Time Frame for Final Approval</b>	Assumed Completed	Assumed Completed
<b>Site Work/Prep. Completion</b>	NA	Year 1
<b>Infrastructure Completion (Roadway &amp; Pathway)</b>	NA	Year 1
<b>No. Units (Lots / Condo. Units)</b>	10	14
Market Rate Units	10	9
Affordable Units	NA	5
<b>Price per Unit (Lots / Condo. Units)</b>		
Market Rate Units	\$550,000	\$650,000
Affordable Units	NA	\$260,000
<b>Sell-out Period</b>	2 Years	2 Years
<b>Gross Sales Proceeds</b>	Refer to Model	Refer to Model
<b>Expenses</b>		
Infrastructure - Roadway & Walkway	NA	\$11,000
<b>Unit Construction</b>		
Market Rate Units	NA	\$400,000
Affordable Units	NA	\$300,000
Real Estate Taxes	See Narrative Description	See Narrative Description
Marketing Sales Commissions	5% of Gross Sales	5% of Gross Sales
Admin & General Expenses	1% of Gross Sales	1% of Gross Sales
Legal / Closing	\$500/Unit	\$500/Unit
<b>Discount Rate inclusive of Profit</b>	20.00%	24.00%
<b>Internal Rate of Return (IRR)</b>	20.10%	24.14%
<b>Overall Internal Rate of Return (IRR)</b>	21.29%	

**Discounted Cash Flow – Development Scenario #1**  
**Vacant Single-Family Lot Portion of Subject**

<b>Year</b>		<b>1</b>	<b>Total</b>
Period (Years)		<b>1</b>	
Inflation Period		<b>0</b>	
<b>INCOME SUMMARY</b>			
<b>Market Rate Lot Sales</b>			
Unsold Market Lots: Beginning Period		<b>5</b>	
Number of Market Lots Sold		5	5
<u>Avg. Selling Price @</u>		<u>\$550,000</u>	<u>\$550,000</u>
<b>Sales Income - Market Rate Lots</b>		<b>\$2,750,000</b>	<b>\$2,750,000</b>
<b>Affordable Lot Sales</b>			
Unsold Affordable Lots: Beginning Period		<b>1</b>	
Number of Affordable Lots Sold		1	1
<u>Avg. Selling Price @</u>		<u>\$40,000</u>	<u>\$40,000</u>
<b>Sales Income - Affordable Lots</b>		<b>\$40,000</b>	<b>\$40,000</b>
<b>Total Sales Income</b>		<b>\$2,790,000</b>	<b>\$2,790,000</b>
<b>GROSS SALE PROCEEDS</b>		<b>\$2,790,000</b>	<b>\$2,790,000</b>
<b>LESS EXPENSES</b>			
Real Estate Taxes		\$18,590	\$18,590
Legal/Accounting Expense	\$500	\$3,000	\$3,000
Management Expense	1%	\$27,900	\$27,900
Marketing and Brokerage	5%	<u>\$139,500</u>	<u>\$139,500</u>
<b><u>TOTAL EXPENSES</u></b>		<b><u>\$188,990</u></b>	<b><u>\$188,990</u></b>
<b>NET SALES PROCEEDS</b>		<b>\$2,601,010</b>	<b>\$2,601,010</b>
<b>PRESENT VALUE ANALYSIS</b>			
Present Value Factors (inclusive of Profit, annual * @	20.0%	<u>0.83330</u>	
PV of Cash Flows		\$2,167,422	
<b>Total Present Values</b>		\$2,167,422	
<b>INDICATED VALUE</b>		<b>\$2,170,000</b>	
Discounted Cash Flow Method			



**Discounted Cash Flow – Development Scenario #1**  
**Condominium Portion of Subject**

Year		1	2	Total
Inflation Period		0	1	
<b>INCOME SUMMARY</b>				
<b>Unit Sales</b>				
Market - Unsold Units: Beginning Period		9	6	
Number of Market Units Sold		3	6	9
Avg. Selling Price @		\$650,000	\$669,500	\$663,000
<b>Sales Income - Market Units</b>		<b>\$1,950,000</b>	<b>\$4,017,000</b>	<b>\$5,967,000</b>
Affordable - Unsold Units: Beginning Period		3	3	
Number of Affordable Units Sold		0	3	3
Affordable Selling Price @		\$260,000	\$267,800	\$267,800
<b>Sales Income - Affordable Units</b>		<b>\$0</b>	<b>\$803,400</b>	<b>\$803,400</b>
<b>Sales Income</b>		<b>\$1,950,000</b>	<b>\$4,820,400</b>	<b>\$6,770,400</b>
<b>GROSS SALE PROCEEDS</b>		<b>\$1,950,000</b>	<b>\$4,820,400</b>	<b>\$6,770,400</b>
<b>LESS EXPENSES</b>				
Roadway & Walkway		\$11,000	\$0	\$11,000
Cost to Construct - Market Units		\$2,400,000	\$1,236,000	\$3,636,000
Cost to Construct - Affordable Units		\$0	\$927,000	\$927,000
Real Estate Taxes		\$8,905	\$45,983	\$54,888
Legal/Accounting Expense	\$500	\$1,500	\$4,635	\$6,135
Management Expense	1%	\$19,500	\$48,204	\$67,704
Marketing and Brokerage	5%	\$97,500	\$241,020	\$338,520
<b>TOTAL EXPENSES</b>		<b>\$2,538,405</b>	<b>\$2,502,842</b>	<b>\$5,041,247</b>
<b>NET SALES PROCEEDS</b>		<b>(\$588,405)</b>	<b>\$2,317,559</b>	<b>\$1,729,154</b>
<b>PRESENT VALUE ANALYSIS</b>				
Present Value Factors (inclusive of Profit, annual * @	24.0%	0.80650	0.65040	
PV of Cash Flows		(\$474,549)	\$1,507,340	
<b>Total Present Values</b>		\$1,032,791		
<b>INDICATED VALUE</b>		<b>\$1,030,000</b>		
Discounted Cash Flow Method				

**Discounted Cash Flow – Development Scenario #1a**  
**Vacant Single-Family Lot Portion of Subject**

<b>Year</b>		<b>1</b>	<b>Total</b>
Period (Years)		<b>1</b>	
Inflation Period		<b>0</b>	
<b>INCOMESUMMARY</b>			
<b>Lot Sales</b>			
Unsold Lots: Beginning Period		<b>5</b>	
Number of Lots Sold		5	5
<u>Avg. Selling Price @</u>		<u>\$550,000</u>	<u>\$550,000</u>
<b>Sales Income - Lots</b>		<b>\$2,750,000</b>	<b>\$2,750,000</b>
<b>Total Sales Income</b>		<b>\$2,750,000</b>	<b>\$2,750,000</b>
<b>GROSS SALE PROCEEDS</b>		<b>\$2,750,000</b>	<b>\$2,750,000</b>
<b>LESS EXPENSES</b>			
Real Estate Taxes		\$25,220	\$25,220
Legal/Accounting Expense	\$500	\$2,500	\$2,500
Management Expense	1%	\$27,500	\$27,500
Marketing and Brokerage	5%	<u>\$137,500</u>	<u>\$137,500</u>
<b>TOTAL EXPENSES</b>		<b>\$192,720</b>	<b>\$192,720</b>
<b>NET SALES PROCEEDS</b>		<b>\$2,557,280</b>	<b>\$2,557,280</b>
<b>PRESENT VALUE ANALYSIS</b>			
Present Value Factors (inclusive of Profit, annual * @	20.0%	<u>0.83330</u>	
PV of Cash Flows		\$2,130,981	
<b>Total Present Values</b>		\$2,130,981	
<b>INDICATED VALUE</b>		<b>\$2,130,000</b>	
Discounted Cash Flow Method			

**Discounted Cash Flow – Development Scenario #1a**  
**Condominium Portion of Subject**

Year		1	2	Total
Inflation Period		0	1	
<b>INCOME SUMMARY</b>				
<b>Unit Sales</b>				
Market - Unsold Units: Beginning Period		10	7	
Number of Market Units Sold		3	7	10
Avg. Selling Price @		\$650,000	\$669,500	\$663,650
<b>Sales Income - Market Units</b>		<b>\$1,950,000</b>	<b>\$4,686,500</b>	<b>\$6,636,500</b>
Affordable - Unsold Units: Beginning Period		4	4	
Number of Affordable Units Sold		0	4	4
Affordable Selling Price @		\$260,000	\$267,800	\$267,800
<b>Sales Income - Affordable Units</b>		<b>\$0</b>	<b>\$1,071,200</b>	<b>\$1,071,200</b>
<b>Sales Income</b>		<b>\$1,950,000</b>	<b>\$5,757,700</b>	<b>\$7,707,700</b>
<b>GROSS SALE PROCEEDS</b>		<b>\$1,950,000</b>	<b>\$5,757,700</b>	<b>\$7,707,700</b>
<b>LESS EXPENSES</b>				
Roadway & Walkway		\$11,000	\$0	\$11,000
Cost to Construct - Market Units		\$2,800,000	\$1,236,000	\$4,036,000
Cost to Construct - Affordable Units		\$0	\$1,236,000	\$1,236,000
Real Estate Taxes		\$8,905	\$54,924	\$63,829
Legal/Accounting Expense	\$500	\$1,500	\$5,665	\$7,165
Management Expense	1%	\$19,500	\$57,577	\$77,077
Marketing and Brokerage	5%	\$97,500	\$287,885	\$385,385
<b>TOTAL EXPENSES</b>		<b>\$2,938,405</b>	<b>\$2,878,051</b>	<b>\$5,816,456</b>
<b>NET SALES PROCEEDS</b>		<b>(\$988,405)</b>	<b>\$2,879,650</b>	<b>\$1,891,245</b>
<b>PRESENT VALUE ANALYSIS</b>				
Present Value Factors (inclusive of Profit, annual * @	24.0%	0.80650	0.65040	
PV of Cash Flows		(\$797,149)	\$1,872,924	
<b>Total Present Values</b>		\$1,075,775		
<b>INDICATED VALUE</b>		<b>\$1,080,000</b>		
Discounted Cash Flow Method				

**Discounted Cash Flow – Development Scenario #2**  
**Vacant Single-Family Lot Portion of Subject**

Year		1	2	Total
Period (Years)		1	2	
Inflation Period		0	1	
INCOMESUMMARY				
Lot Sales				
Unsold Lots: Beginning Period		10	5	
Number of Lots Sold		5	5	10
Avg. Selling Price @		\$550,000	\$566,500	\$558,250
Sales Income - Lots		\$2,750,000	\$2,832,500	\$5,582,500
Total Sales Income		\$2,750,000	\$2,832,500	\$5,582,500
GROSS SALE PROCEEDS		\$2,750,000	\$2,832,500	\$5,582,500
LESS EXPENSES				
Real Estate Taxes		\$28,340	\$27,829	\$56,169
Legal/Accounting Expense	\$500	\$2,500	\$2,575	\$5,075
Management Expense	1%	\$27,500	\$28,325	\$55,825
Marketing and Brokerage	5%	\$137,500	\$141,625	\$279,125
TOTAL EXPENSES		\$195,840	\$200,354	\$396,194
NET SALES PROCEEDS		\$2,554,160	\$2,632,146	\$5,186,306
PRESENT VALUE ANALYSIS				
Present Value Factors (inclusive of Profit, annual * @	20.0%	0.83330	0.69440	
PV of Cash Flows		\$2,128,382	\$1,827,762	
Total Present Values		\$3,956,143		
INDICATED VALUE		\$3,960,000		
Discounted Cash Flow Method				



**Discounted Cash Flow – Development Scenario #2**  
**Condominium Portion of Subject**

Year		1	2	Total
Period (Years)		1	2	
Inflation Period		0	1	
<b>INCOME SUMMARY</b>				
<b>Unit Sales</b>				
Market - Unsold Units: Beginning Period		8	5	0
Number of Market Units Sold		3	5	8
Avg. Selling Price @		\$650,000	\$669,500	\$662,188
<b>Sales Income - Market Units</b>		<b>\$1,950,000</b>	<b>\$3,347,500</b>	<b>\$5,297,500</b>
Affordable - Unsold Units: Beginning Period		4	4	0
Number of Affordable Units Sold		0	4	4
Affordable Selling Price @		<u>\$260,000</u>	<u>\$267,800</u>	\$267,800
<b>Sales Income - Affordable Units</b>		<b>\$0</b>	<b>\$1,071,200</b>	<b>\$1,071,200</b>
<b><u>Sales Income</u></b>		<b><u>\$1,950,000</u></b>	<b><u>\$4,418,700</u></b>	<b><u>\$6,368,700</u></b>
<b>GROSS SALE PROCEEDS</b>		<b>\$1,950,000</b>	<b>\$4,418,700</b>	<b>\$6,368,700</b>
<b>LESS EXPENSES</b>				
Roadway & Walkway		\$209,000	\$0	\$209,000
Cost to Construct - Market Units		\$2,000,000	\$1,236,000	\$3,236,000
Cost to Construct - Affordable Units		\$0	\$1,236,000	\$1,236,000
Real Estate Taxes		\$8,905	\$42,151	\$51,056
Legal/Accounting Expense	\$500	\$1,500	\$4,635	\$6,135
Management Expense	1%	\$19,500	\$44,187	\$63,687
Marketing and Brokerage	5%	<u>\$97,500</u>	<u>\$220,935</u>	<u>\$318,435</u>
<b><u>TOTAL EXPENSES</u></b>		<b><u>\$2,336,405</u></b>	<b><u>\$2,783,908</u></b>	<b><u>\$5,120,313</u></b>
<b>NET SALES PROCEEDS</b>		<b>(\$386,405)</b>	<b>\$1,634,793</b>	<b>\$1,248,388</b>
<b>PRESENT VALUE ANALYSIS</b>				
Present Value Factors (inclusive of Profit, annual * @	24.0%	<u>0.80650</u>	<u>0.65040</u>	
PV of Cash Flows		(\$311,636)	\$1,063,269	
<b>Total Present Values</b>		\$751,633		
<b>INDICATED VALUE</b>		<b>\$750,000</b>		
Discounted Cash Flow Method				

**Discounted Cash Flow – Development Scenario #3**  
**Vacant Single-Family Lot Portion of Subject**

<b>Year</b>		<b>1</b>	<b>2</b>	<b>Total</b>
Period (Years)		<b>1</b>	<b>2</b>	
Inflation Period		<b>0</b>	<b>1</b>	
<b>INCOMESUMMARY</b>				
<b>Lot Sales</b>				
Unsold Lots: Beginning Period		<b>10</b>	<b>5</b>	
Number of Lots Sold		5	5	10
<u>Avg. Selling Price @</u>		\$550,000	\$566,500	<u>\$558,250</u>
<b>Sales Income - Lots</b>		<b>\$2,750,000</b>	<b>\$2,832,500</b>	<b>\$5,582,500</b>
<b>Total Sales Income</b>		<b>\$2,750,000</b>	<b>\$2,832,500</b>	<b>\$5,582,500</b>
<b>GROSS SALE PROCEEDS</b>		<b>\$2,750,000</b>	<b>\$2,832,500</b>	<b>\$5,582,500</b>
<b>LESS EXPENSES</b>				
Real Estate Taxes		\$30,420	\$27,829	\$58,249
Legal/Accounting Expense	\$500	\$2,500	\$2,575	\$5,075
Management Expense	1%	\$27,500	\$28,325	\$55,825
Marketing and Brokerage	5%	<u>\$137,500</u>	<u>\$141,625</u>	<u>\$279,125</u>
<b>TOTAL EXPENSES</b>		<b><u>\$197,920</u></b>	<b><u>\$200,354</u></b>	<b><u>\$398,274</u></b>
<b>NET SALES PROCEEDS</b>		<b>\$2,552,080</b>	<b>\$2,632,146</b>	<b>\$5,184,226</b>
<b>PRESENT VALUE ANALYSIS</b>				
Present Value Factors (inclusive of Profit, annual * @	20.0%	<u>0.83330</u>	<u>0.69440</u>	
PV of Cash Flows		\$2,126,648	\$1,827,762	
<b>Total Present Values</b>		\$3,954,410		
<b>INDICATED VALUE</b>		<b>\$3,950,000</b>		
Discounted Cash Flow Method				

**Discounted Cash Flow – Development Scenario #3**  
**Condominium Portion of Subject**

Year		1	2	Total
Period (Years)		1	2	
Inflation Period		0	1	
<b>INCOME SUMMARY</b>				
<b>Unit Sales</b>				
Market - Unsold Units: Beginning Period		9	6	0
Number of Market Units Sold		3	6	9
Avg. Selling Price @		\$650,000	\$669,500	\$663,000
<b>Sales Income - Market Units</b>		<b>\$1,950,000</b>	<b>\$4,017,000</b>	<b>\$5,967,000</b>
Affordable - Unsold Units: Beginning Period		5	5	0
Number of Affordable Units Sold		0	5	5
Affordable Selling Price @		<u>\$260,000</u>	<u>\$267,800</u>	\$267,800
<b>Sales Income - Affordable Units</b>		<b>\$0</b>	<b>\$1,339,000</b>	<b>\$1,339,000</b>
<b><u>Sales Income</u></b>		<b><u>\$1,950,000</u></b>	<b><u>\$5,356,000</u></b>	<b><u>\$7,306,000</u></b>
<b>GROSS SALE PROCEEDS</b>		<b>\$1,950,000</b>	<b>\$5,356,000</b>	<b>\$7,306,000</b>
<b>LESS EXPENSES</b>				
Roadway & Walkway		\$11,000	\$0	\$11,000
Cost to Construct - Market Units		\$2,400,000	\$1,236,000	\$3,636,000
Cost to Construct - Affordable Units		\$0	\$1,545,000	\$1,545,000
Real Estate Taxes		\$10,832	\$51,092	\$61,924
Legal/Accounting Expense	\$500	\$1,500	\$5,665	\$7,165
Management Expense	1%	\$19,500	\$53,560	\$73,060
Marketing and Brokerage	5%	<u>\$97,500</u>	<u>\$267,800</u>	<u>\$365,300</u>
<b><u>TOTAL EXPENSES</u></b>		<b><u>\$2,540,332</u></b>	<b><u>\$3,159,117</u></b>	<b><u>\$5,699,449</u></b>
<b>NET SALES PROCEEDS</b>		<b>(\$590,332)</b>	<b>\$2,196,884</b>	<b>\$1,606,552</b>
<b>PRESENT VALUE ANALYSIS</b>				
Present Value Factors (inclusive of Profit, annual * @	24.0%	<u>0.80650</u>	<u>0.65040</u>	
PV of Cash Flows		(\$476,103)	\$1,428,853	
<b>Total Present Values</b>		\$952,750		
<b>INDICATED VALUE</b>		<b>\$950,000</b>		
Discounted Cash Flow Method				

### Reconciliation and Final Value Estimate

Based on the analyses and conclusions formed within this report, and subject to the definitions, extraordinary assumptions, and limiting and hypothetical conditions expressed herein, it is our opinion that the Market Value of Fee Simple Interest in the subject property under the four Development Scenarios provided to us by the client of this report, as of the effective date of this appraisal, May 17, 2023, is:

<b>Development Scenario</b>	<b>#1</b>	<b>#1a</b>	<b>#2</b>	<b>#3</b>
# of Single-Family Lots	6	5	10	10
<b>Market Value</b>	<b>\$2,170,000</b>	<b>\$2,130,000</b>	<b>\$3,960,000</b>	<b>\$3,950,000</b>
<i>Value per Unit</i>	<i>\$361,667</i>	<i>\$426,000</i>	<i>\$396,000</i>	<i>\$395,000</i>
# of Condominium Units	12	14	12	14
<b>Market Value</b>	<b>\$1,030,000</b>	<b>\$1,080,000</b>	<b>\$750,000</b>	<b>\$950,000</b>
<i>Value per Unit</i>	<i>\$85,833</i>	<i>\$77,143</i>	<i>\$62,500</i>	<i>\$67,857</i>
Total # of Lots/Units	18	19	22	24
<b>Market Value</b>	<b>\$3,200,000</b>	<b>\$3,210,000</b>	<b>\$4,710,000</b>	<b>\$4,900,000</b>
<i>Value per Unit</i>	<i>\$177,778</i>	<i>\$168,947</i>	<i>\$214,091</i>	<i>\$204,167</i>

Based on the above, Development Scenario #3, which also contains the greatest number of units (single-family lots and condominium units), results in the greatest Market Value for the subject property.



## **ADDENDA**

**Certification**

1. Zackery Durkin inspected the subject property on May 17, 2023. Peter M. Scotti has not inspected the subject property.
2. We have no present or contemplated future interest in the subject property.
3. We have no personal interest or bias with respect to the subject of this report or the parties involved.
4. Our fee is not contingent upon reporting a predetermined value or upon the amount of the value estimated.
5. This report sets forth all of the special and limiting conditions affecting its analyses, opinions and conclusions.
6. No one other than the undersigned performed the analyses, conclusions and opinions set forth herein.
7. This assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
8. To the best of our knowledge, statements of fact contained herein are true and correct.
9. As of the date of this report Peter M. Scotti, MAI, has completed the requirements of the Continuing Education Program of the Appraisal Institute.
10. This report has been prepared in compliance with the Appraisal Institute's Standards of Professional Practice and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. It is subject to review by members and designates of the Appraisal Institute.
11. We represent that that neither Peter M. Scotti & Associates, Inc. nor either of the undersigned have performed an appraisal or other services for the subject property within a three-year period preceding acceptance of the assignment that requires disclosure under this rule.

Respectfully submitted,



Peter M. Scotti, MAI  
President  
RI License No. CGA.0A00110



Zackery Durkin  
Certified General Appraiser  
RI License #CGA.0020087

### **CONTINGENT & LIMITING CONDITIONS**

This appraisal report, the Letter of Transmittal and the Certification of Value are made expressly subject to the following assumptions and limiting conditions and any special limiting conditions contained in the report which are incorporated herein by reference.

1. The legal description used in this report is assumed to be correct.
2. Sketches in this report are included to assist the reader and no responsibility is assumed for accuracy. No survey has been made of the property specifically for this report.
3. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be good and marketable. The title is assumed to be held in fee simple.
4. Information, estimates and opinions furnished by others in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy was assumed by this appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within this report. The property is analyzed as though under responsible ownership and competent management.
6. Subsurface rights (minerals and oil) were not considered in making this report.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions nor is the appraiser responsible for arranging engineering, which might be required to discover such factors.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the report.
9. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this report.
11. Unless arrangements have been previously made, no appearances in court or requirements to give testimony in respect to the subject property will be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the person to whom it is addressed without the written qualification and only in its entirety.

13. If applicable, the distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the subject property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by anyone but the client, without the previous written consent of the appraiser and/or client; nor shall it be conveyed by anyone but the client to the public through advertising, public relations, news, sales or other media without the written consent and the approval by the author(s), particularly as to valuation conclusions, the identity of the appraiser or a firm.
15. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. In this assignment, the existence of potentially hazardous material in the construction or maintenance of the building, such as the presence of ureaformaldehyde foam insulation, asbestos, and/or the existence of toxic waste or radon gas, which may or may not be present on the property, has been considered. No information was obtained confirming, disproving, or leading us to suspect the existence of such hazards, except where noted. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field if desired. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
16. On January 26, 1992, The Americans with Disabilities Act (ADA) became effective. The Act requires compliance based on each property owner's financial ability with regard to the cost to cure the property's potential physical characteristics. Given that compliance is dependent upon the specific financial ability of each owner as determined by the U.S. Justice Department, it is not possible for the appraiser to comment on either current or potential adherence to the act or its impact on value. Consequently, a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines has not been undertaken.
17. This report does not consider or address the impact upon the property that may result from recently (post 2001) enacted life saving legislation, specifically amendments to state and local fire and building codes. Unless specified it is assumed that the property meets all fire and building codes as of the effective date.



## Definitions

### Market Value

Market value, for purposes of this appraisal, is defined as the most probable price in terms of money which a property should bring in an open and competitive market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interest;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property, sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

**Fee Simple** is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

**Leased Fee Interest** is the collection of property rights, including use and occupancy, that are conveyed by a lessor (leased fee owner) to a lessee (leaseholder) as specified by contract terms contained within a lease.<sup>3</sup>

**Leasehold Interest** is the interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.<sup>4</sup>

**Hypothetical condition** is that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends, or about the integrity of the data used in an analysis.<sup>5</sup>

**Extraordinary Assumption:** An extraordinary assumption is an assumption, directly related to a specific assignment, which is found false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of the data used in the analysis. The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Page 73.

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<sup>1</sup> Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696.

<sup>2</sup> Appraisal Institute, The Appraisal of Real Estate, Twelfth Edition, Page 69

<sup>3</sup> Appraisal Institute, The Appraisal of Real Estate, Twelfth Edition, Page 81

<sup>4</sup> Appraisal Institute, The Appraisal of Real Estate, Twelfth Edition, Page 83

<sup>5</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Page 141.

**Deed**

INST: 4404 Bk: 1773 Pg: 103

**QUIT-CLAIM DEED**

**Roman Catholic Bishop of Providence**, a corporation sole, with a mailing address of One Cathedral Square, Providence, Rhode Island 02903 ("Grantor"), for good and valuable consideration paid in the amount of Three Million Two Hundred Thousand and 00/100 Dollars (\$3,200,000.00), the receipt and sufficiency of which are hereby acknowledged grants to **Town of Barrington**, with a mailing address of 283 County Road, Barrington, Rhode Island 02806 ("Grantee"), the following described property,

with QUIT-CLAIM COVENANTS

Those certain lots or parcels of land with all the buildings and improvements thereon, situated on in the Town of Barrington, State of Rhode Island, bounded and described as shown on **Exhibit A**, which is attached hereto and made a part hereof.

Grantor is a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code. Grantor covenants that it is a Rhode Island non-profit corporation, as evidenced by affidavit and is therefore exempt from the withholding provisions of R.I. Gen. Laws § 44-30-71.3.

Being the same premises conveyed to Grantor by deed dated June 6, 1955, recorded with the Land Evidence Records of the Town of Barrington in Book 52, Page 114.

*Signature Page Follows*



**Deed**  
(Continued)

INST: 4404 Bk: 1773 Pg: 104

WITNESS this 18<sup>th</sup> day of October, 2021, I have caused these presents to be executed.

In the presence of:

Roman Catholic Bishop of Providence,  
a corporation sole

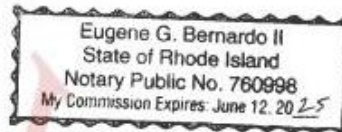
Velli Dine  
Witness

By: Thomas J. Tobin  
Name: Most Reverend Thomas J. Tobin, D.D.  
Title: Bishop of Providence

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence on the 18<sup>th</sup> day of October, 2021 before me personally appeared Most Reverend Thomas J. Tobin, D.D., Roman Catholic Bishop of Providence, a corporation sole, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed in his said capacity and the free act and deed of said Roman Catholic Bishop of Providence, a corporation sole.

Eugene G. Bernardo II  
Notary Public:  
My Commission Expires:



**Deed**  
(Continued)

INST: 4404 Bk: 1773 Pg: 105

**EXHIBIT A**

Beginning at a point in the westerly line of Watson Avenue being marked by a Granite Bound, said point being northeast corner of the parcel to be described;

thence running:

**S 9°40'02" E** 720.46 feet by the westerly line of Watson Avenue to a Granite Bound;

thence running

**S 80°08'26" W** 318.68 feet bounded southerly by land now or formally of H.V. Collins Properties, Inc. to a Railroad Spike;

thence running

**N 66°37'58" W** 153.67 feet bounded southerly by land now or formally of Michael C. & Tracey Baker to a Granite Bound;

thence running

**N 9°40'02" W** 637.76 feet bounded westerly by Freemont Avenue to an Iron Rod;

thence running

**N 80°19'58" E** 447.50 feet bounded northerly partially by land now or formally of Gerard DiSanto and partially by land now or formally of David P. & Sheila C. Butera to the point of beginning.

Containing **317,320+/-** square feet or 7.285 acres, more or less.

Above-described parcel is also shown on plan entitled "CARMELITE MONASTERY 25 Watson Avenue, Barrington, RI 02806 Assessors Map 7 Lot 04 For Diocese of Providence One Cathedral Square, Providence, RI Job #20-064 Scale: 1" = 40' Drawn By: SCA Date: 08/03/2021" by Insite Engineering Services, LLC, and recorded in the Land Evidence Records of the Town of Barrington in File No. 780 on October 18, 2021.

For Reference Only:

25 Watson Avenue, Barrington R.I. 02806  
Tax Assessor's Map 7, Lot 4

RECEIVED FOR RECORD  
Oct 18, 2021 12:34P  
Barrington, R.I.  
Meredith J. DeSisto  
TOWN CLERK



## Deed Restriction and Agreement

INST: 4405 Bk: 1773 Pg: 106

### DEED RESTRICTION AND AGREEMENT

This Deed Restriction is granted as of the 18th day of October, 2021, by Town of Barrington, with a mailing address of 283 County Road, Barrington, Rhode Island 02806 ("Grantor") in favor of Roman Catholic Bishop of Providence, a corporation sole, with a business office and notice mailing address of One Cathedral Square, Providence, Rhode Island 02903, its successors and assigns ("Grantee").

WHEREAS, Grantor is the owner of property and improvements located in the Town of Barrington, Rhode Island more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Burdened Property");

WHEREAS, the Grantor has agreed to grant to Grantee, its, transferees, successors and assigns, a deed restriction and covenant burdening the Burdened Property;

NOW THEREFORE, in consideration of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grantor will not use, nor allow the use by others of the name: "Carmelite Monastery" or "Carmelite", or any derivatives of Carmelite, with any operations or activities on the Burdened Property. The use of the term monastery shall be allowed.
2. It will not, unless and until the church structure on the subject property is demolished, without the prior written authorization of the Bishop of Providence use, permit others to use or lease or otherwise transfer the use of the Burdened Property or any portion thereof to any person who uses or will use the Burdened Property or any portion thereof as a facility, place of business or other place in which:
  - a. a congregation, society or other assemblage of persons meets for worship or other religious observances or activities, promoted or defined as Catholic or Roman Catholic, but not possessing the express ecclesiastical approval of the Roman Catholic Church;
  - b. any organized religious activity is conducted that is contrary to the essential and substantial matters of the Roman Catholic Faith as determined by the Roman Catholic Bishop of Providence, provided however, that this provision shall not be deemed to prohibit or otherwise restrict the free exercise of personal religious beliefs by the occupants of the Burdened Property, their families or guests, regardless of whether such beliefs are consistent with the Roman Catholic Faith;
  - c. human abortion, sterilization, euthanasia or other acts which are contrary to the Ethical and Religious Directives for Catholic Health Care Services promulgated by the United States Conference of Catholic Bishops are performed, or

**Deed Restriction and Agreement**  
(Continued)

INST: 4405 Bk: 1773 Pg: 107

promoted through public advocacy or for which counseling is given which promotes and/or encourages individuals to obtain such services;

- d. pornographic or soft pornographic books, pictures, discs or other media or material directed to an adult rather than a general audience or clientele are created, displayed, sold, rented or available for viewing;
  - e. tattoos, body piercings and other such forms of physical embellishment are performed or sold;
  - f. a tavern, bar, night club, dance club or hall is operated, or in which is operated a restaurant in which alcoholic beverages are served;
  - g. a pinball, video game, or entertainment arcade, or a gambling or betting office, other than for the sale of lottery tickets is operated;
  - h. a billiards parlor or pool hall is operated;
  - i. live performances directed to an adult audience rather than the general public are operated or conducted,
  - j. massage parlors, unless operated by licensed therapists, are operated;
  - k. paranormal gatherings, spiritualism, séances or similar activities are conducted.
3. In the event of a failure by the Grantor or any subsequent grantor to comply with any of these restrictions, the Grantee may pursue any and all remedies available at law or in equity including, but not limited to, an action for immediate injunctive relief.

The Grantor intends, declares and covenants, on its behalf and on behalf of its heirs, transferees, successors and assigns of the Burdened Property, that this Deed Restriction and the covenants and restrictions set forth in this Deed Restriction (i) shall run with the Burdened Property, shall encumber the Burdened Property and shall be binding upon such heirs, transferees, successors and assigns, and (ii) are not merely a personal covenant of the Grantor. The Grantor hereby agrees that any and all requirements of the laws of the State of Rhode Island required to be satisfied in order for the provisions of this Deed Restriction to become effective and constitute deed restrictions and covenants running with the Burdened Property are deemed to be satisfied in full, and that any requirements of privity of estate are deemed satisfied or, in the alternative, that an equitable servitude has been created to insure that these restrictions and covenants run with the Burdened Property.

Each and every contract, deed or other instrument hereafter executed conveying the Burdened Property or any portion thereof shall expressly provide that such conveyance is subject to this Deed Restriction; provided, however, the restrictions and covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument provides that such conveyance is subject to this Deed Restriction.

**Deed Restriction and Agreement**  
(Continued)

INST: 4405 Bk: 1773 Pg: 108

This Deed Restriction shall remain in effect for an initial period of thirty (30) years commencing on the date of recording hereof, provided however, that upon the demolition of the church structure on the subject property, the Grantor may record notice of such demolition and conversion and the restrictions of Section 2 herein shall terminate as of the date of said recording.

Witness our hands and seals this 18<sup>th</sup> day of October, 2021.

Grantor:

**TOWN OF BARRINGTON**


By: 

Name: James Cunha

Title: Town Manager

STATE OF RHODE ISLAND  
COUNTY OF BRISTOL

On this 18TH day of October, 2021, before me, the undersigned notary public, personally appeared James Cunha, the Town Manager of the Town of Barrington, personally known to the notary to be the person whose name is signed on the preceding or attached document and he acknowledged to the notary that the execution of the foregoing instrument was his free act and deed and the free act and deed of the Town of Barrington.

  
Notary Public

Print Name:

My Commission Expires: 8/25/25

ANDREW M. TEITZ  
NOTARY PUBLIC - RHODE ISLAND  
ID # 24745  
MY COMMISSION EXPIRES 08/25/2025



**Deed Restriction and Agreement**  
(Continued)

INST: 4405 Bk: 1773 Pg: 109

**EXHIBIT A**

Beginning at a point in the westerly line of Watson Avenue being marked by a Granite Bound, said point being northeast corner of the parcel to be described;

thence running:

**S 9°40'02" E** 720.46 feet by the westerly line of Watson Avenue to a Granite Bound;

thence running

**S 80°08'26" W** 318.68 feet bounded southerly by land now or formally of H.V. Collins Properties, Inc. to a Railroad Spike;

thence running

**N 66°37'58" W** 153.67 feet bounded southerly by land now or formally of Michael C. & Tracey Baker to a Granite Bound;

thence running

**N 9°40'02" W** 637.76 feet bounded westerly by Freemont Avenue to an Iron Rod;

thence running

**N 80°19'58" E** 447.50 feet bounded northerly partially by land now or formally of Gerard DiSanto and partially by land now or formally of David P. & Sheila C. Butera to the point of beginning.

Containing 317,320+/- square feet or 7.285 acres, more or less.

Above-described parcel is also shown on plan entitled "CARMELITE MONASTERY 25 Watson Avenue, Barrington, RI 02806 Assessors Map 7 Lot 04 For Diocese of Providence One Cathedral Square, Providence, RI Job #20-064 Scale: 1" = 40' Drawn By: SCA Date: 08/03/2021" by Insite Engineering Services, LLC, and recorded in the Land Evidence Records of the Town of Barrington in File No. 780 on October 18, 2021.

For Reference Only:

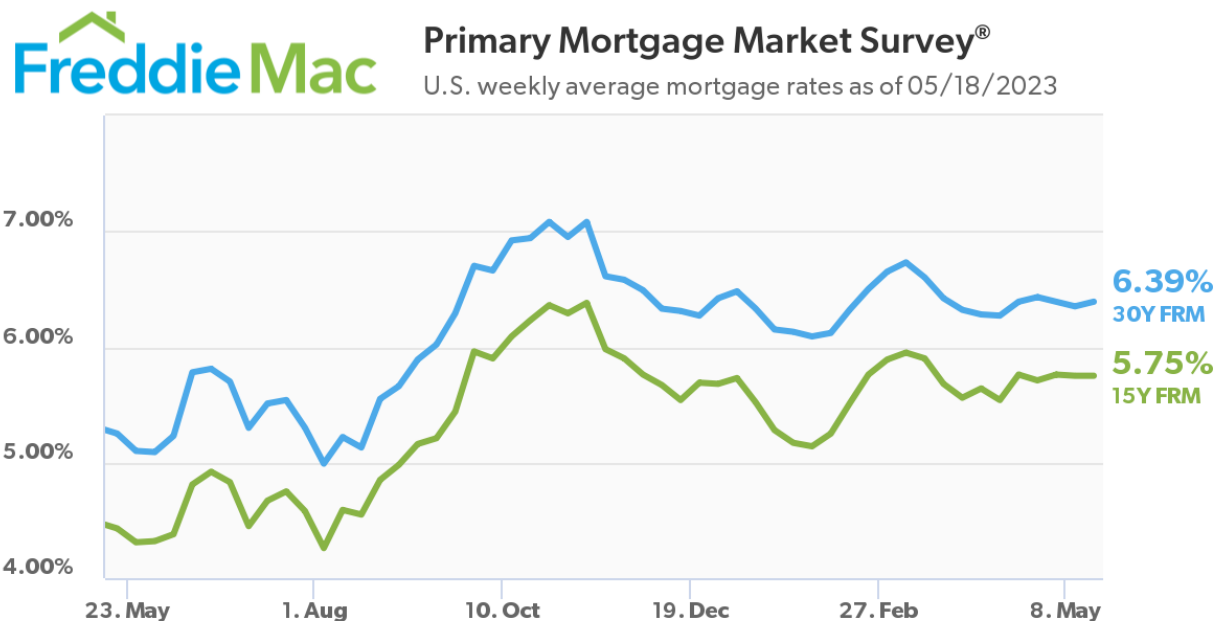
25 Watson Avenue, Barrington R.I. 02806  
Tax Assessor's Map 7, Lot 4

RECEIVED FOR RECORD  
Oct 18, 2021 12:34P  
Barrington, R.I.  
Meredith J. DeSisto  
TOWN CLERK

## Rhode Island Residential Market

After lowering the Federal Funds rate to then historic lows (1.0%) in 2003 the Federal Reserve steadily increased this key interest rate to 5.25% in June of 2005. It was held steady until September 2007 when financial markets began to decline due to the deterioration of sub-prime mortgages. Financial market turbulence and a developing recession were addressed with significant decreases in the Fed Funds rate to the current 0.25%. Despite these fluctuations, residential mortgage rates were relatively steady but credit standards became stricter. The financial turmoil in the fourth quarter of 2008 resulted in mortgage interest rates trending downward. By the end of 2008 the 30-year fixed rate was in the range of  $\pm 5.8\%$ . With the economy deteriorating in early 2009, and the world-wide financial system nearing a melt-down, the Government implemented a stimulus program that drove 30-year rates below 5% by May. In 2010 the interest rate for 30-year mortgages increased to over 5% by year-end. However, slow market conditions resulted in this key lending rate declining to the low 4% range by the end of 2011.

In 2012 the 30-year rate declined to under 4% for the best credit risks with fees averaging less than one point. In 2013 mortgage rates moved up over 4%. In 2014 the 30-year rate fluctuated in the range of 3.65% to 4.4%. In 2015 the 30-year mortgage interest rate declined to under 4.0%, remaining there through most of the year, and into 2016. In early 2017, in concert with Federal Reserve monetary policy, 30-year fixed rate mortgages have moved above 4.0-4.5%. Rates then began to decrease in the first quarter of 2019 and then decrease further in 2020 as a mean to lessen the economic impact of the Covid-19 pandemic. In of December 2020, 30-year fixed rate mortgages ranged from 2.70% – 3.00%. In an effort to fight higher level of inflation, interest rates have risen since the beginning of 2022 and are expected to continue to rise until inflation levels normalize. Since September of 2022, average mortgage rates have been above 6.0% which were last experienced in the 3<sup>rd</sup> Quarter of 2008. As reported by FreddieMac, the average mortgage rate (30-year fixed rate) was 6.39% in the week ending May 18, 2023.





Rhode Island Single-Family Market										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Median Price	\$205,000	\$214,900	\$225,000	\$239,900	\$255,000	\$270,000	\$285,000	\$319,900	\$365,000	\$401,000
% Change	7.9%	4.8%	4.7%	6.6%	6.3%	5.9%	5.6%	12.2%	14.1%	9.9%
Average Price	\$269,833	\$285,881	\$288,702	\$303,569	\$325,582	\$345,983	\$358,298	\$416,939	\$496,031	\$526,945
% Change	8.3%	5.9%	1.0%	5.1%	7.3%	6.3%	3.6%	16.4%	19.0%	6.2%
Sales Volume	8,883	8,931	9,826	11,076	11,311	10,681	11,045	11,650	11,508	9,549
% Change	10.5%	0.5%	10.0%	12.7%	2.1%	-5.6%	3.4%	5.5%	-1.2%	-17.0%
Days on Mkt	60	59	54	55	40	38	45	38	22	20
% Change	-16.7%	-1.7%	-8.5%	1.9%	-27.3%	-5.0%	18.4%	-15.6%	-42.1%	-9.1%

Since the peak median sale price of \$282,900 in 2005 there was a steady decline through 2009 despite a substantial volume increase in that year due to the Federal Government stimulus program. Data for 2010 reveals a median price increase but the sales volume declined with the expiration of the stimulus program. The 2011 and 2012 data shows continued median price declines but a significant volume increase in 2012.

Median prices and sales volume increased in both 2013 and 2014. However, the increases were at a lesser pace in 2014 than in 2013. The volume of sales increased 8.47% in 2015. The median price increase and volume increase in 2016 and 2017 were the strongest in several years as indicated above. The median sales price continued to increase in 2018 and 2019 despite a small decrease in the number of sales in 2018, a 5.62% decrease, and an increase in the DOMs in 2019. In 2021 and 2022 median sale prices increased 14.10% & 9.9% respectively, despite a 1.2% and a 17.0% decrease in sales volume.

The most recent quarterly data reveals higher median prices within the last four quarters on a decreased amount of sales volume. The decrease in volume is more reflective of a lack of inventory than a decrease in buyer demand as agents continue to report a lack of available properties.

Agents also report that some potential sellers are hesitant to list their home for sale due to the increased price of and difficulty in finding another home, as well as increased financing costs. Sales prices are expected to remain steady as inventory remains tight. However, the recent raise in mortgage rates is expected to slow the rate of price increases from their record highs within in the last two years. Pent up demand and lack of new supply is expected to blunt some of the effects of high mortgage rates.

The most recent quarterly data reveals higher median prices and lower sales volume in the first and fourth quarters. Median Sales prices have increased year over year for the past year while sales volume has decreased. Sales prices are expected to remain strong/increase slightly as inventory remains tight.

Rhode Island Single-Family Market (Quarterly)								
	2021 Q2	2022 Q2	2021 Q3	2022 Q3	2021 Q4	2022 Q4	2022 Q1	2023 Q1
<b>Median Price</b>	\$368,500	\$420,000	\$385,000	\$405,000	\$375,000	\$405,000	\$375,000	\$390,000
<b>% Change</b>		14.0%		5.2%		8.0%		4.0%
<b>Per S.F.</b>	\$291	\$329	\$299	\$320	\$297	\$320	\$300	\$282
<b>% Change</b>		13.1%		7.0%		7.7%		-6.0%
<b>Sales Volume</b>	2,942	2,554	3,271	2,962	3,109	2,962	2,073	1,409
<b>% Change</b>		-13.2%		-9.4%		-4.7%		-32.0%
<b>Median DOM</b>	15	10	19	26	25	26	24	28
<b>% Change</b>		-33.3%		36.8%		4.0%		16.7%

In Rhode Island residential building permits remain well under the high point in 1999 when 2,702 single-family and 3,414 total residential permits were issued. Multi-Family unit building permits are also well below their high of 1,028 in 2005. In 2008 single-family permits declined significantly to only 868 (-40.5%) due to the recession and difficult financial markets. With 2009 experiencing a continuing recession and a near financial melt-down single-family permits significantly declined and only began to increase again in 2012 with the general market seeing signs of stabilization. Since this time, the number of residential building permits began to increase year over year, albeit at an uneven pace with some years showing annual decreases. The number of single-family building permits issued in 2021 is still -61% below its previous 1999 high but is 87% greater than 2012 and has increased 9% since 2020. As of March 2023 (the latest available), 184 single-family building permits have been issued.

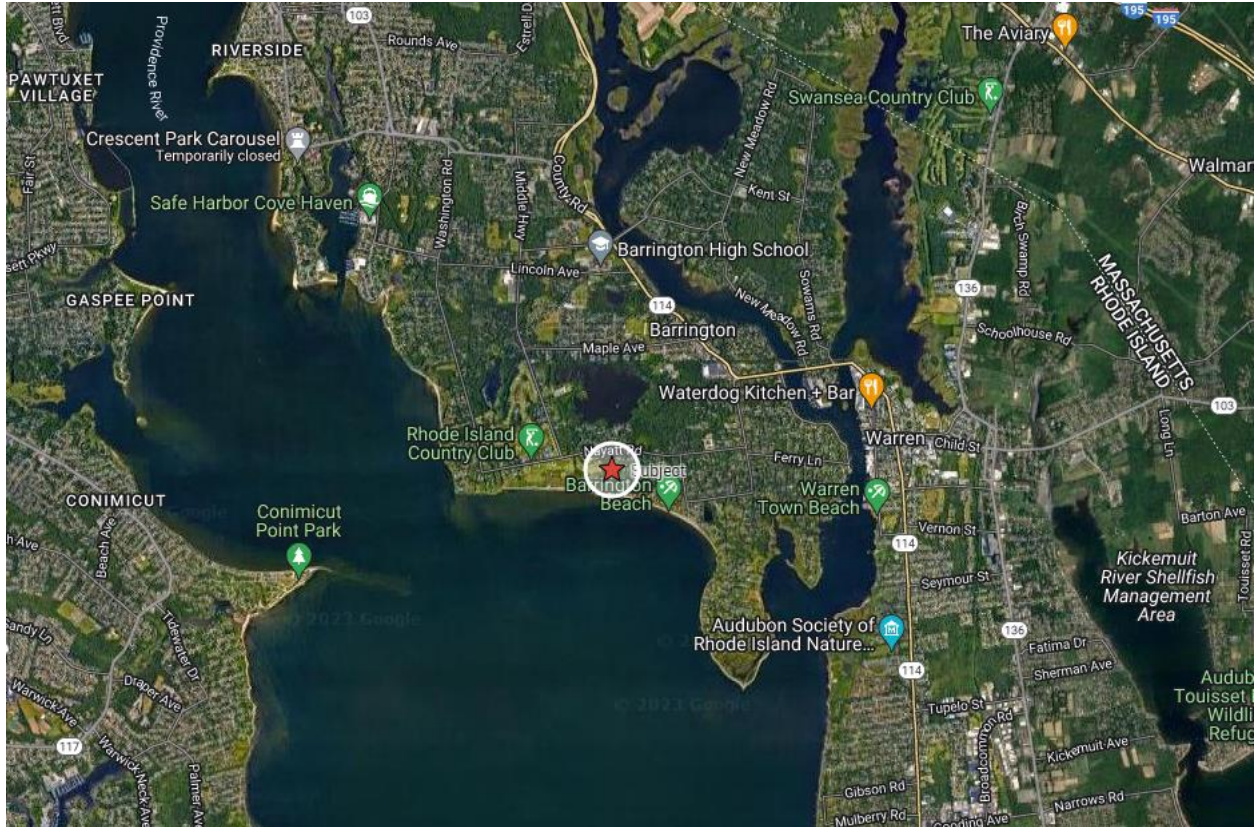
Rhode Island Residential Building Permits									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Units	992	990	1,192	1,156	1,224	1,394	1,329	1,454	1,401
% Change	8%	0%	20%	-3%	6%	14%	-5%	9%	-4%
S.F. Structures	809	843	902	997	918	1,020	958	1,049	954
% Change	-1%	4%	7%	11%	-8%	11%	-6%	9%	-9%
Units in Multi-Fam. Structures	183	147	290	159	306	374	371	147	447
% Change	87%	-20%	97%	-45%	92%	22%	-1%	-60%	204%

Within the past 2 years, the increase in average sales prices and lack of inventory State-wide have made new construction more attractive to both developers and home buyers. However, increases to the costs of building materials have put downward pressure on new housing starts. Material costs have been regularly increasing over the past 2 years and labor has been increasingly hard to find. New developments are few and of small scale. Land suitable for development is limited and, in most cases, development costs and market conditions do not justify pursuing the approval process.

### Summary Residential Market Comments

Rhode Island continues to struggle with a lack of job growth and state budget problems remain to be solved. Despite these long-term problems, a lack of inventory is being reported in the single-family and condominium markets throughout the state leading to increasing sale prices. Even accounting for decreased mortgage interest rates since the start of the COVID-19 Pandemic, the single-family market shows signs of continued growth and the outlook for the residential real estate market is positive as the national economy continues to improve.

## Town of Barrington



The Town of Barrington is an affluent suburban community bounded on the north by East Providence and the Commonwealth of Massachusetts, Narragansett Bay on the west and south, and the Warren River on the east. The major north-south road is Route 114, which provides access to Interstate 195 in East Providence, and to Warren and other East Bay communities to the south. Commercial use property is very limited within the Town, and is mainly concentrated in several retail and office strip centers near the intersection of Route 114 and Maple Avenue. The Town is characterized as a residential “bedroom community” consisting mostly of single-family detached dwellings. Nearby employment centers to which Barrington has convenient linkage include the City of Providence, East Providence and Warren, Rhode Island, and Swansea and Seekonk Massachusetts.

Among the State’s thirty-nine cities and towns, Barrington ranks 21<sup>st</sup> in population. Barrington and Bristol County enjoyed steady population growth in the twenty years from 2010 to 2020. The most recent update (April 1, 2020) of population estimates by the Census Bureau reveals these communities have experienced modest population increases since 2010 as illustrated in the following table.

Geographic Area	April 1, 2000 Census	April 1, 2010 Census	April 1, 2020 Census	% Change 2010
<b>State of Rhode Island</b>	<b>1,048,319</b>	<b>1,052,567</b>	<b>1,097,379</b>	<b>4.26%</b>
<b>Bristol County</b>	<b>50,648</b>	<b>49,875</b>	<b>50,793</b>	<b>1.84%</b>
<u>Barrington</u>	<u>16,819</u>	<u>16,310</u>	<u>17,153</u>	<u>5.17%</u>
Bristol	22,469	22,954	22,493	-2.01%
Warren	11,360	10,611	11,147	5.05%
<b>Newport County</b>	<b>85,433</b>	<b>82,888</b>	<b>85,643</b>	<b>3.32%</b>
Middletown	17,334	16,150	17,075	5.73%
Portsmouth	17,149	17,389	17,871	2.77%
<b>Providence County</b>	<b>621,602</b>	<b>626,667</b>	<b>660,741</b>	<b>5.44%</b>
East Providence	48,688	47,037	47,139	0.22%
Source: US Census Bureau				

The Town's population density per square mile is about the same as neighboring Warren and about 45% lower than neighboring East Providence. The population of Barrington, on average, is substantially more affluent than the state in total. The median household income in Barrington (as reported by the American Community Survey, 5-year estimates 2017-2021), is \$130,455 which is 38% higher than that of Bristol County (\$80,727) and 43% higher than the State's (\$74,489).

In Barrington, as illustrated below, single-family construction activity has remained somewhat steady in recent years, ranging from 10 to 21 single-family building permits per year. As of March 2023 (the most recent available), only 1 building permit has been issued within the Town.

<b><u>Bristol County &amp; Barrington Single-Family/Condominium Building Permits</u></b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Bristol County</b>									
<b>Total Permits</b>	38	41	47	43	140	47	57	60	59
<i>YoY % Change</i>	-22%	8%	15%	-9%	226%	-66%	21%	5%	-2%
<b>Single-Family</b>	32	39	45	43	38	14	45	45	39
<i>YoY % Change</i>	-29%	22%	15%	-4%	-12%	-63%	221%	0%	-13%
<b>Barrington</b>									
<b>Total Permits</b>	18	18	21	11	16	19	22	15	12
<i>YoY % Change</i>	-14%	0%	17%	-48%	45%	19%	16%	-32%	-20%
<b>Single-Family</b>	12	18	21	11	16	13	10	15	12
<i>YoY % Change</i>	-29%	50%	17%	-48%	45%	-19%	-23%	50%	-20%

The single-family market in Barrington has a median sale price that is consistently above the State-wide median price. The median sale price's previous peaked was in 2007 at \$440,000. This was eclipsed in 2018 (\$475,000) and has been steadily increasing every since. In 2022, median sale prices reached a new high of \$680,000 or \$378 per SF.



<b>Barrington Single-Family Market</b>								
	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>May-23</u></b>
Median Price	\$385,000	\$427,500	\$475,000	\$460,000	\$498,250	\$585,000	\$680,000	\$662,500
% Change	-9%	11%	11%	-3%	8%	17%	16%	-3%
Average Price	\$473,681	\$520,071	\$592,540	\$554,488	\$595,844	\$742,873	\$824,701	\$786,569
% Change	-7%	10%	14%	-6%	7%	25%	11%	-5%
Sales Volume	303	337	291	333	330	318	241	58
% Change	9%	11%	-14%	14%	-1%	-4%	-24%	-
# of New Listings	429	447	483	496	403	357	299	93
% Change	-9%	4%	8%	3%	-19%	-11%	-16%	-
Days on Mkt. (Median)	69	39	45	57	49	23	11	16
% Change	-7%	-43%	15%	27%	-14%	-53%	-52%	45%
Sale Price/ SF	\$231	\$250	\$260	\$258	\$283	\$340	\$378	\$366
% Change	0%	8%	4%	-1%	10%	20%	11%	-3%

The supply of condominium units within Barrington is limited and those that do exist are typically of older construction. The median sale price within the Town is inline with that of the State. However, given the limited supply and number of Sales in any one year, it is difficult to draw accurate conclusions from sales data regarding sales trends within the Town.

<b>Barrington Condominium Market</b>								
	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>May-23</u></b>
Median Price	\$190,000	\$199,000	\$0	\$0	\$235,000	\$355,000	\$365,000	\$317,500
% Change	-	5%	-	-	-	51%	3%	-13%
Average Price	\$190,000	\$199,000	\$0	\$0	\$235,000	\$331,250	\$352,357	\$317,500
% Change	-	5%	-	-	-	41%	6%	-10%
Sales Volume	1	1	0	0	1	4	14	1
% Change	-	0%	-	-	-	300%	250%	-
# of New Listings	1	1	3	1	2	7	13	
% Change	-	0%	200%	-67%	100%	250%	86%	-
Days on Mkt. (Median)	70	50	0	0	3	16	30	19
% Change	-	-29%	-	-	-	433%	88%	-37%
Sale Price/ SF	\$215	\$224	\$0	\$0	\$266	\$307	\$336	\$381
% Change	-	4%	-	-	-	15%	9%	13%

We have also looked at annual land sales data, as provided by RI MLS, within Barrington. Median sale prices within the Town are higher than the Statewide median. With the exception of 2019, median and average sale prices have trended upwards over the surveyed period. Due to the Town's waterfront location and top ranked public school system, this trend is expected to continue.



Town of Barrington - Land Sales								
	2016	2017	2018	2019	2020	2021	2022	May-23
Median Price	\$248,750	\$137,500	\$225,000	\$175,000	\$304,950	\$495,000	\$849,950	\$1,365,000
% Change	84%	-45%	64%	-22%	74%	62%	72%	61%
Average Price	\$392,500	\$315,000	\$355,200	\$290,000	\$335,817	\$732,480	\$849,950	\$1,365,000
% Change	130%	-20%	13%	-18%	16%	118%	16%	61%
Sales Volume	4	6	5	3	6	10	2	1
% Change	-50%	50%	-17%	-40%	100%	67%	-80%	-
# of New Listings	14	15	7	21	13	7	8	4
% Change	-18%	7%	-53%	200%	-38%	-46%	14%	-
Days on Mkt. (Median)	105	60	80	194	140	216	41	40
% Change	13%	-43%	33%	143%	-28%	54%	-81%	-2%
SP /LP	76.7%	87.4%	81.5%	76.1%	96.9%	94.0%	100.0%	94.1%
% Change	-12%	14%	-7%	-7%	27%	-3%	6%	-6%

Another measure of demand is the sale of new construction homes. In the preceding year (May 15, 2022 to May 15, 2023), RI MLS reported 5 new construction, single-family home sales (improvements constructed circa 2020+). Many of these sales are infill developments or small scale subdivisions. The sales range in price from \$750,000 for a 2,583± SF, colonial style residence, circa 2021, along Sowams Road in the northern portion of the Town, to \$1,784,525 for a 3,200± SF colonial style residence constructed circa 2022 along Rumstick Road in the Rumstick Point neighborhood. The following table contains information regarding the sales as provided by RI MLS:

**Status: Sold (5)**

	Beds	Baths	Sq Ft Total	List Price	Sold Price	Ratio LPSF Abv Gr	Ratio SPSF Abv Gr	SP/LP	SP/Orig LP	ASMT/SQFT	ASMT/SP	DOM
Min	3	2	2,449	\$749,900	\$750,000	\$290	\$290	89%	89%	\$	0%	3
Max	4	2	3,200	\$1,999,500	\$1,784,525	\$625	\$558	106%	106%	\$206	55%	177
Avg	4	2	2,802	\$1,104,660	\$1,072,105	\$387	\$377	99%	98%	\$87	21%	71
Median	4	2	2,880	\$935,000	\$951,000	\$326	\$332	100%	98%	\$54	17%	51
Sum				\$5,523,300	\$5,360,525							

There is also 1 pending sale with a list price of \$1,394,500 for a 3,392± SF, colonial style residence along Manor Road which was constructed circa 2023.

We have also considered new construction home sales in the two years proceeding this period (May 15, 2020 to May 15, 2022). The following tables contains sales information as provided by RI MLS for new construction homes between May 2020 and May 2022

**New Construction Sales (Circa 2019+) – May 2021 – May 2022**

**Status: Sold (6)**

	Beds	Baths	Sq Ft Total	List Price	Sold Price	Ratio LPSF Abv Gr	Ratio SPSF Abv Gr	SP/LP	SP/Orig LP	ASMT/SQFT	ASMT/SP	DOM
Min	3	2	2,050	\$585,000	\$585,000	\$282	\$280	97%	88%	\$	0%	
Max	6	4	4,142	\$1,795,000	\$1,750,000	\$433	\$423	101%	101%	\$301	71%	181
Avg	4	3	2,965	\$1,035,650	\$1,022,250	\$344	\$340	99%	97%	\$99	28%	86
Median	3	3	2,806	\$957,000	\$940,000	\$339	\$340	99%	99%	\$71	20%	71
Sum				\$6,213,900	\$6,133,500							

### New Construction Sales (Circa 2018+) – May 2020 – May 2021

Status: Sold (11)

	Beds	Baths	Sq Ft Total	List Price	Sold Price	Ratio LPSF Abv Gr	Ratio SPSF Abv Gr	SP/LP	SP/Orig LP	ASMT/SQFT	ASMT/SP	DOM
Min	3	2	1,920	\$479,000	\$470,000	\$192	\$195	98%	92%	\$	0%	36
Max	5	3	3,650	\$999,000	\$999,000	\$296	\$304	103%	103%	\$236	92%	666
Avg	4	2	2,992	\$780,755	\$781,049	\$260	\$261	100%	99%	\$71	27%	226
Median	4	2	3,350	\$859,900	\$861,000	\$272	\$271	100%	100%	\$	0%	114
Sum				\$8,588,300	\$8,591,542							

4 of the new construction home sales in 2020 are located in the Fox Run subdivision, a 5-lot, residential subdivision located on the eastern side of Sowams Road and the western side of the Palmer River. The developer purchased the 10.6± acre site in April of 2017 for a consideration of \$450,000 and developed the site with 5 single-family residences and two affordable housing units as required by zoning. The 5 single-family residences contained sale prices ranging from \$899,000 to \$999,000 and were sold between May of 2019 and October of 2020.

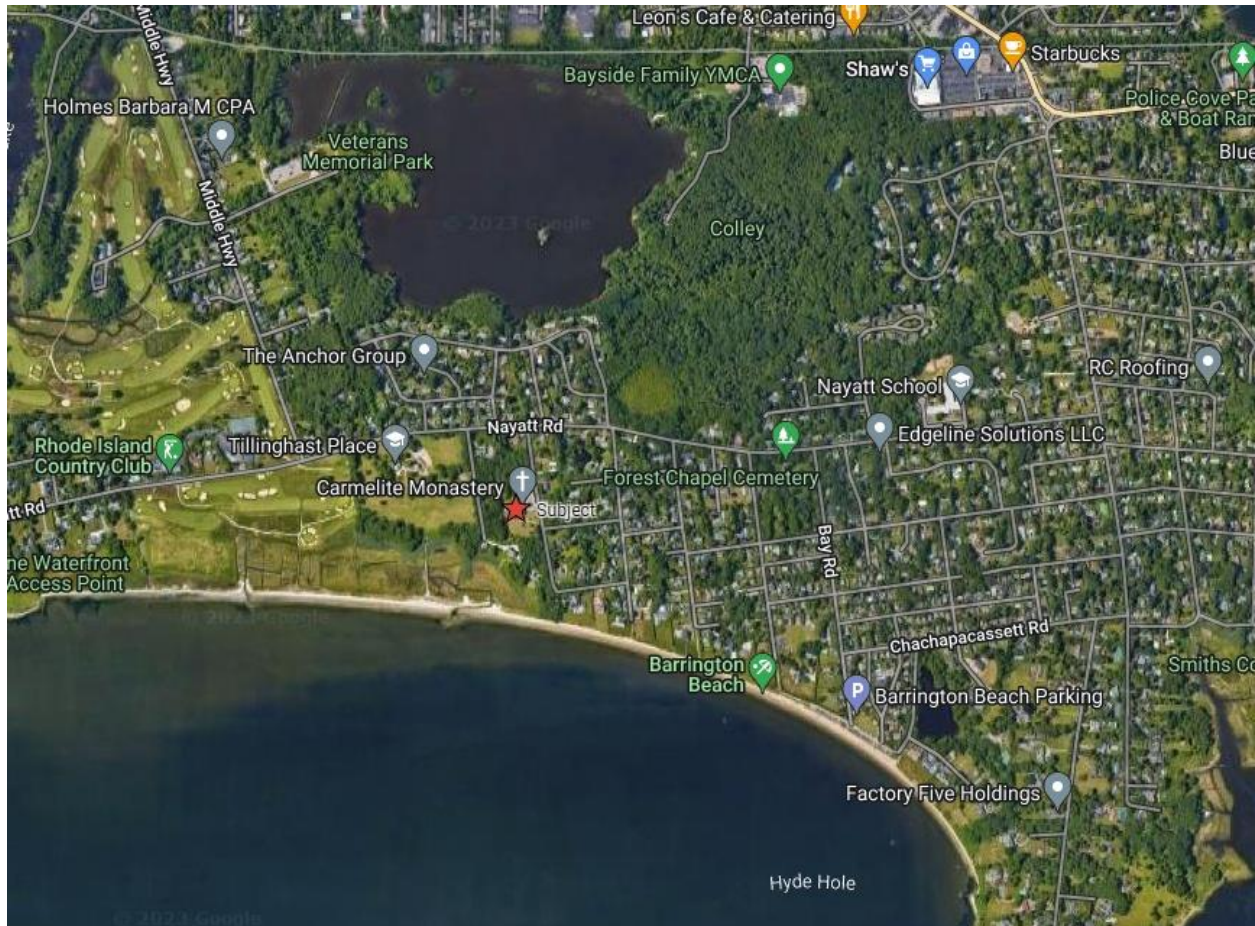
We have also researched recently constructed condominium units within the Town of Barrington. RI MLS reports that there were 2 newly constructed condominium units within the last year. The most recent condominium development in the Town was the third and final phase of the Bay Spring Crossing Condominiums which consisted of the construction of a new two-story, 12-unit condominium building which was completed in 2021. Bay Spring Crossing Condominiums previously consisted of 24 condominium units in two buildings which were previously constructed in 2010. The 12 newly constructed units ranged in size from 1,102± SF to 1,214± SF and all contained two bedrooms and two bathrooms. The 12 units were first listed for sale July of 2021 and contained sale prices ranging from \$350,000 to \$400,000 with an average of \$377,083 (\$333/SF) and were sold between October of 2021 and May of 2022.

One large scale proposed development within Barrington is the redevelopment of the former Zion Bible College located at 33 Middle Highway. The 36.9± acre site is currently improved with a circa 1904 former educational use building that has been vacant for several years and is in a state of disrepair. In 2016 a 214-unit assisted living building with additional independent living buildings and units was proposed but these plans were later abandoned. In 2023 it was announced that the owner was seeking approvals for a 350-unit, multi-building, village style, mixed-use development that would be known as “Belton Court Village”. No approvals have been granted as of this writing.

Bluemead Farm Lane is a newer subdivision that is located to the east of the subject property and extends southerly from Chachapacasset Road. The subdivision contains 9 lots, two of which are restricted to affordable housing. 6 of the market level lots sold as vacant lots between February of 2018 and March of 2021 with sale prices ranging from \$450,000 (the first sale) to \$605,000 with an average sale price of \$546,667. On a per SF basis, the sale prices ranged from \$5.00/SF for the largest lot (108,914 SF) to \$14.05/SF for the smallest lot (32,025 SF) with an average of \$8.98/SF (average lot size was 69,831 SF). One of the market level lots was improved with a 4,020 SF, colonial style single-family residence and was sold in April of 2019 for a consideration of \$1,480,000. Both of two affordable housing lots were sold to a non-profit in June of 2019 for a consideration of \$65,000. The lots were then both developed with an affordable housing unit and sold in 2020 for a consideration of \$319,000 and \$289,000.

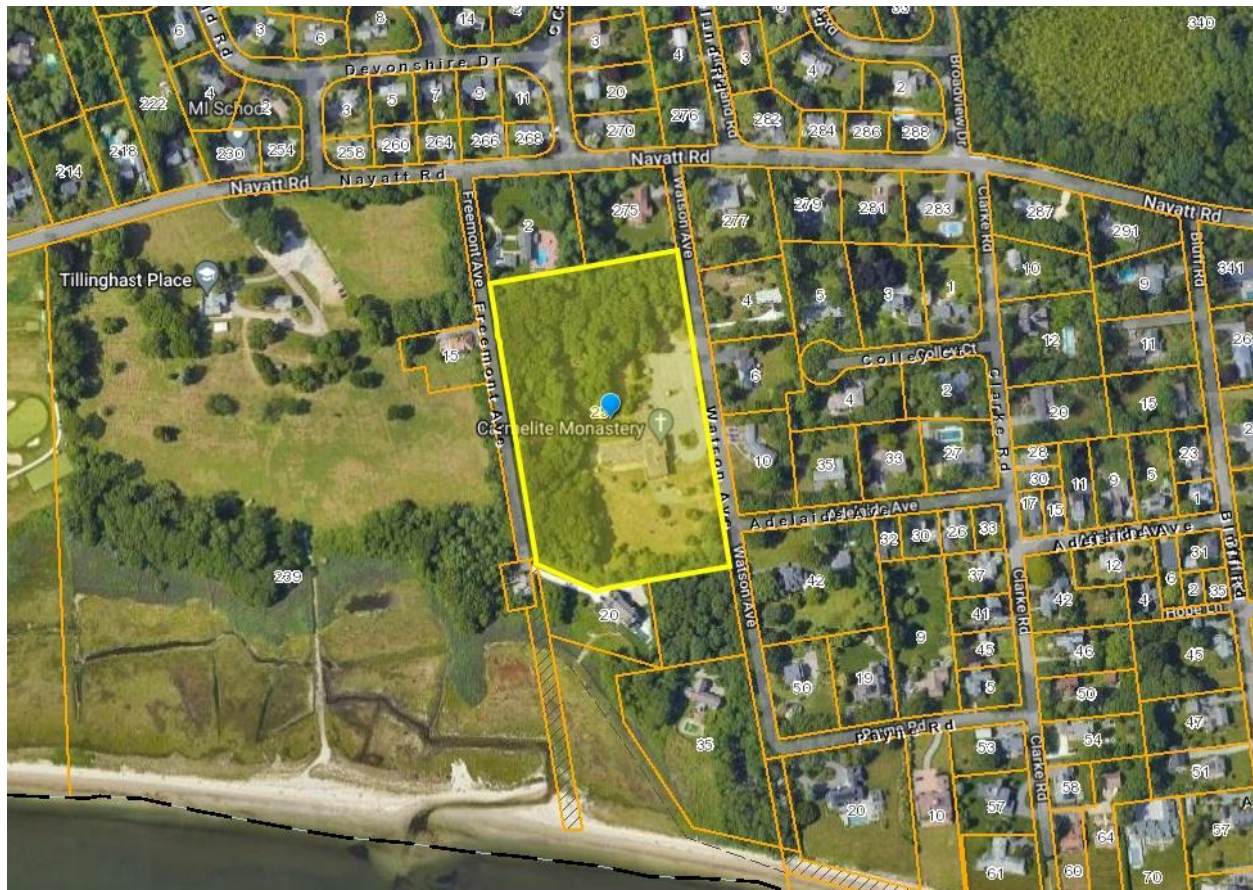
Overall, Barrington is considered a stable suburban residential community that benefits from desirable scenic qualities, convenient linkage to Providence and other population centers, and traditionally high property values. The Town provides a supportive environment for the subject property and is a desirable location for new development which is constrained only by a lack of available land.

### Subject's Locale Area

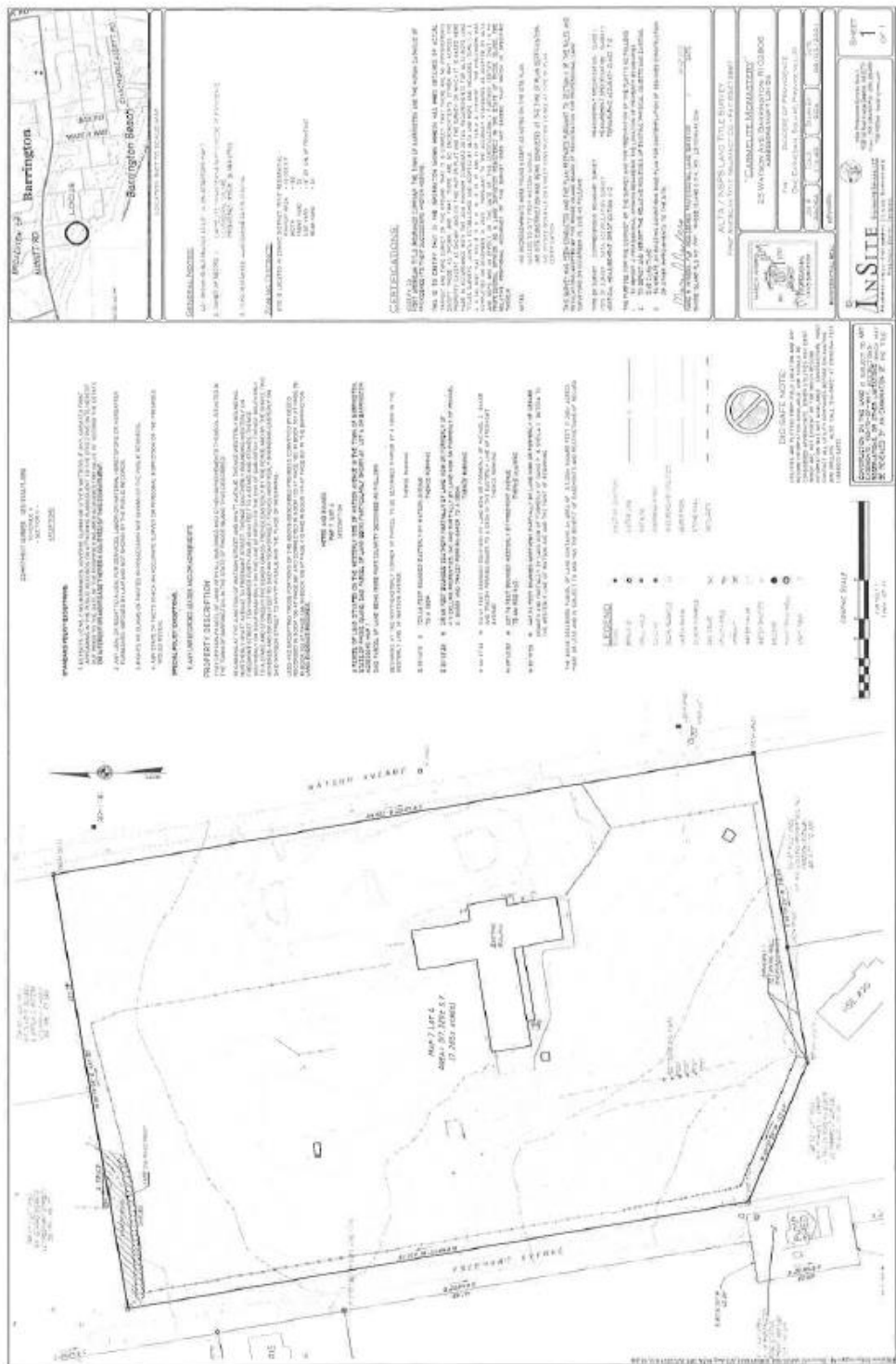




**Town of Barrington's GIS Map of Subject**

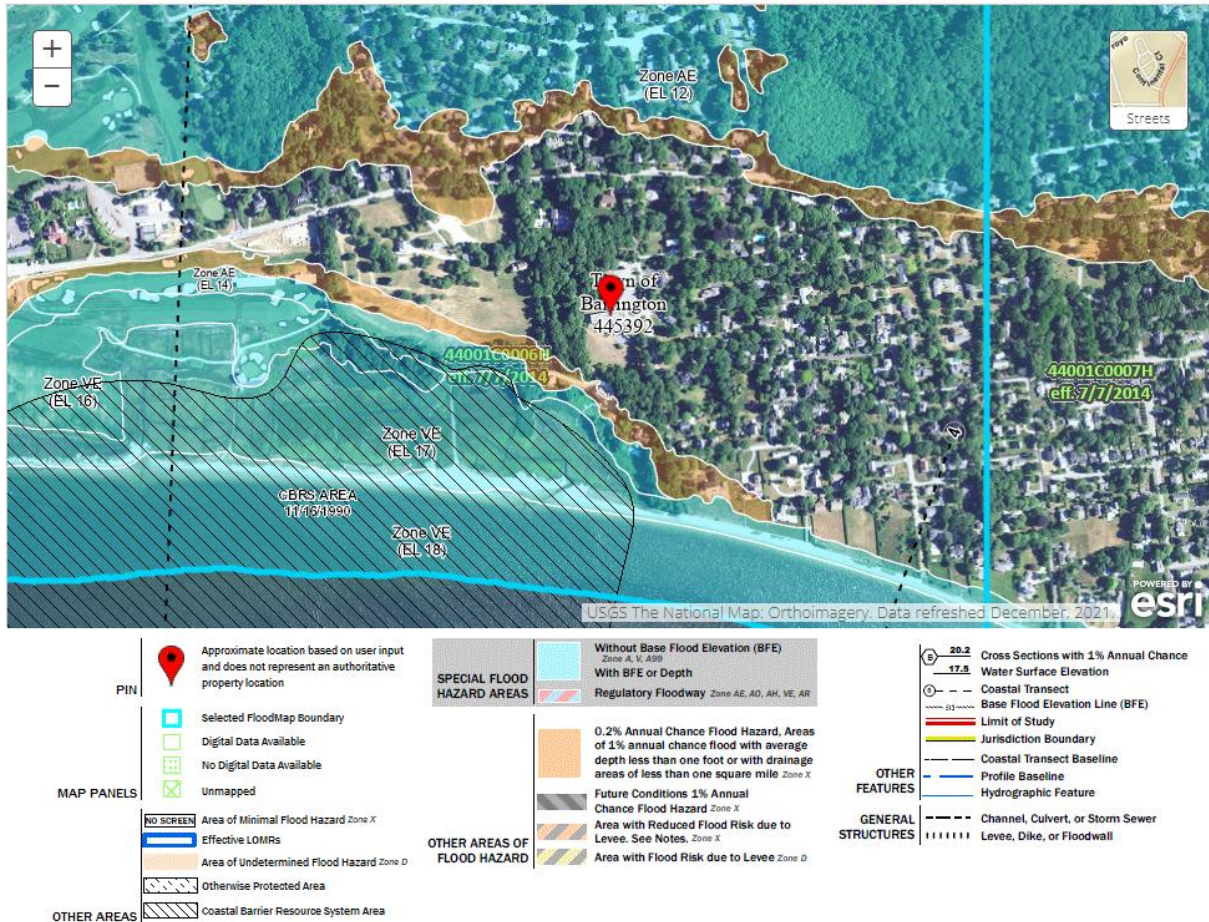


## Survey of Subject Property





## Flood Map





**Photographs of Subject Property**



Subject from Watson Avenue facing Southwest



Subject from Watson Avenue facing Northwest



View of Subject facing Westerly



Southern side of Improvements facing Northerly



Southwestern portion of Subject facing Southwest



Western portion of Subject facing Westerly





View of Subject from Freemont Avenue



Watson Avenue facing North



Watson Avenue facing South



Freemont Avenue facing North



Freemont Avenue facing South



## Engagement Letter

PETER M. SCOTTI & ASSOCIATES • REAL ESTATE

May 8, 2023

*Peter M. Scotti &  
Associates, Inc.*

*403 South Main St.  
Providence, RI  
02903*

*401-421-8888  
401-331-3018 Fax*

*Scottirealtyri.com*

Mr. Philip Hervey, AICP  
Town Manager, Town of Barrington  
283 County Road,  
Barrington, RI 02806

**Subject: Proposal for Valuation and Consulting Services  
25 Watson Avenue,  
Plat 7, Lot 4  
Barrington, Rhode Island**

Dear Mr. Hervey,

Upon your acceptance of this letter agreement, Peter M. Scotti & Associates, Inc. will prepare an "as is" Market Value report for the subject property under the three development scenarios supplied.

The purpose of the report is to provide opinions of the estimated market value of the Fee Simple Interest in the subject property under three development scenarios. The intended use of the report is to aid the Town of Barrington in the potential development of the subject site. The report will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

**Engagement Letter**  
(Continued)

PETER M. SCOTTI  ASSOCIATES • REAL ESTATE

In accordance with our correspondence, the scope of this assignment will be limited to the three provided development scenarios provided to us and Peter M. Scotti & Associates, Inc. will not consider any other potential uses of the Subject Property.

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given the requirement, this report may not be accepted by a federally regulated financial institution.

The report will be communicated in a standard reporting format. All work will be performed under the direct supervision of the undersigned, together with other staff members.

The total fee for this assignment will be \$4,000 (including expenses) and the delivery date will be 21 days from your acceptance of this letter agreement, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two copies of the reports will be provided. The 21 day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the property, as well as our receipt of all requested information necessary to complete the assignment.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the report will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If any expert is required, you are responsible for their selection, payment and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony.



**Engagement Letter**  
(Continued)

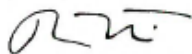
PETER M. SCOTTI & ASSOCIATES • REAL ESTATE

You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peter M. Scotti & Associates, Inc. may utilize, sell and include such data (either in the aggregate or individually), in our marketing materials, database and derivative products so long as your identity is kept confidential. You agree that all data already in the public domain may be utilized on an unrestricted basis.

If you are in agreement with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

Peter M. Scotti & Associates, Inc.



Peter M. Scotti, MAI, SRPA  
President

Attachments

AGREED & ACCEPTED THIS 10<sup>th</sup> DAY OF May, ~~2022~~ 2023

By:



**PETER M. SCOTTI, MAI**  
**Peter M. Scotti & Associates, Inc.**  
**403 South Main Street**  
**Providence, Rhode Island 02903**  
**(401) 421-8888 Ext. 13 / (401) 255-7704**  
[pmgbs@scottire.net](mailto:pmgbs@scottire.net)

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## PROFESSIONAL SUMMARY

Peter Scotti is a seasoned commercial and residential real estate leader. Over 39 years of executive-level experience – spanning the full spectrum of real estate transactions. Recognized sales and appraisal industry expert. Deep understanding of all facets of the commercial and residential real estate marketplace. Especially familiar with the Greater Providence market, including downtown Providence and surrounding communities. Active throughout Rhode Island and the Southeastern Massachusetts areas. Involved in transactions of all classes and possessing the hands-on knowledge and experience to successfully guide the needs and achieve the goals and objectives of a very divergent client base.

Vast experience working closely with government and public agencies on state and local levels. Skilled strategist and negotiator. In-depth knowledge of historic, zoning, planning, assessment and regulatory matters. Proven track-record in managing complex commercial and residential ventures. Comprehensive real estate packaging, branding and marketing direction. Superior analytical skills. Outstanding work ethic and integrity. Diligent and committed to excellence. A civic and community leader: Executive board member, President and Vice President of numerous real estate groups. A Rhode Island and Providence native with multi-generational roots within the community.

## SNAPSHOT OF KEY ACHIEVEMENTS

- **Founder and President of a leading RI appraisal and real estate brokerage firm for 25 years.**
- **In 1996 admitted to membership in Appraisal Institute MAI, the gold standard for real estate appraisers nationwide. Of the 102,000 licensed/certified appraisers in the U.S., only 6% have earned this prestigious designation.**
- **Former Chair, RI Appraisal Board and appointed to current Appraisal Board by Governor Lincoln Chaffee.**
- **Former Chairman of Omni Development Corporation, a nonprofit community development and planning organization.**
- **President, RI Commercial Appraisal Board of Realtors – 2012.**
- **Board Secretary, RI Association of Realtors -2012**
- **City of Providence Economic Development Partnership, Loan Committee Member - 2012**

## EXPERIENCE

1987-present

**PETER M. SCOTTI & ASSOCIATES, Providence, RI**

### **FOUNDER/PRESIDENT**

Real Estate Appraisal and Sales firm.

Directs staff of up to 15 commercial and residential real estate appraisers and brokers in thriving firm. The education, experience and market sophistication of the firm is unequaled in the Rhode Island brokerage community.

- Recognized as one of the foremost real estate experts in Rhode Island.
- Real Estate consultant/appraiser to RI Department of Transportation, Department of Environmental Management, Department of Administration, Providence Water Supply Board, Providence Planning Department, Narragansett Bay Commission, City of Newport.

### Clients

Bank of America; Citizens Trust Company; Rockland Trust Company; Webster Bank; TD Bank North; Coastway Community Bank; BayCoast Bank; Peoples Credit Union; Bank Rhode Island; Home Loan & Investment Company; Greenwood Credit Union; Merrill Lynch Relocation; Lifespan; EXXON; Texaco Corporation; Merritt Oil Company; Blue Cross/Blue Shield; Liberty Mutual; Metropolitan Insurance Corporation; Puritan Life Insurance Company; City of Providence; City of Woonsocket; City of Pawtucket; City of Newport; City of Warwick; Town of North Kingston; Town of Middletown; Town of Richmond; Town of Somerset; Town of Portsmouth; Town of Lincoln; Coastal Resource Management Council/State of Rhode Island; Department of Environmental Management; State of Rhode Island; Department of Transportation, Department of Administration, Port Authority; United States Department of Justice ;United States GSA;United States Small Business Administration; United States Post Office; Rhode Island Housing Mortgage Finance Corporation; Narragansett Bay Commission; Bristol County Water Authority; Providence Water Supply Board; Edwards & Wildman;; Blais, Cunningham, Crowe, & Chester; Lynch & Greenfield; Vetter & White; Carroll, Kelly & Murphy; Burns & Levenson; Boyajian, Harrington & Richardson; Revens, Revens & St. Pierre; Hinckley, Allen, Snyder & Comen; Schectman, Halperin & Savage; Adler Pollack & Sheehan; Olen & Penza; Nixon and Peabody.

1983-1988

#### **H.W. COOKE COMPANY, Providence, RI**

Residential and Commercial Real Estate Sales and Appraisals

##### **CHIEF APPRAISER/VICE PRESIDENT**

Led the Appraisal Department of Rhode Island's oldest real estate company. Supervised up to 12 appraisers.

- **Achieved highest commercial real estate sales each year.**

1980-1983

#### **PROVIDENCE LAND COMPANY, Providence, RI**

Real Estate Development and Sales

##### **VICE PRESIDENT**

Oversaw value analysis and real estate sales.

- **Developed first office condominiums in Providence.**
- **Developed and sold the Masonic Temple Building and Hanly Building.**

### **PROFESSIONAL MEMBERSHIPS & QUALIFICATIONS**

#### **Professional Memberships**

Rhode Island Commercial Appraisal Board of Realtors, President 2012

Rhode Island Appraisal Board, Member

Rhode Island Appraisal Board, Chairman 2003

Rhode Island Chapter Appraisal Institute, Board of Directors 1999

National Association of Realtors

Rhode Island Chapter Appraisal Institute, President 1998

Appraisal Institute Member, MAI 1996

R.I.A.R./CID, Vice President 1989

Greater Providence Board of Realtors/Board of Directors 1987

#### **Licenses**

Licensed Real Estate Broker State of Rhode Island, License #B14864

Licensed Real Estate Appraiser, State of Rhode Island, License #CGA.0A00110

Licensed Real Estate Appraiser, Commonwealth of Massachusetts, License #2805

**Qualifications**

**Expert Witness in the following Cities and/or Towns, Zoning Board of Review:**

Barrington, Bristol, Burrillville, Central Falls, Coventry, Cranston, Cumberland, East Greenwich, East Providence, Exeter, Foster, Gloucester, Jamestown, Johnston, Lincoln, Middletown, Narragansett, Newport, New Shoreham, North Kingstown, North Providence, Pawtucket, Portsmouth, Providence, Richmond, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Warwick, and Woonsocket, Rhode Island, Seekonk, Massachusetts

**Real Estate Qualified to Testify before:**

Family Court, District Court, Superior Court - State of Rhode Island; United States Bankruptcy Court; U.S. District Court, Rhode Island

**Tax Review Board**

Barrington, Bristol, Cranston, Cumberland, Johnston, Lincoln, Narragansett, North Kingstown, Pawtucket, Providence, Scituate, South Kingstown, Warwick, West Greenwich, and West Warwick, Rhode Island

**Town Councils**

Providence, Cumberland, Lincoln, North Kingstown, and North Providence, Pawtucket, East Providence, Warwick, Rhode Island

**EDUCATION:**

**PROVIDENCE COUNTRY DAY SCHOOL**, East Providence, RI

**B.A., WASHINGTON AND JEFFERSON COLLEGE**, Washington, Pennsylvania

**EDUCATION (Partial List):**

**SPECIALIZED:**

Appraising Real Property; Applied Property Valuation; Principles of Income Property Appraising; Applied Income Property Valuation; Standards of Professional Practice; Income Valuation Mixed Use; Rates and Ratios: The Real Estate Economy; Making Sense of the Changing Landscape of Value; Office Building Valuation; Analyzing Distressed Real Estate; Introduction to GIS Applications for Real Estate Appraisal; Advanced Sales Skills, Negotiation for the Commercial Broker.

**INSTRUCTOR, UNIVERSITY OF RHODE ISLAND**

Introduction to Real Estate Appraisal, Fundamentals of Real Estate, Income Property Appraisal

**GUEST LECTURER, JOHNSON & WALES UNIVERSITY**

Fundamentals of Real Estate

**ZACKERY DURKIN**  
**Peter M. Scotti & Associates, Inc.**  
**403 South Main Street**  
**Providence, Rhode Island 02903**  
**(401) 421-8888 / (401) 767-6001**  
[Zdurkin@scottire.net](mailto:Zdurkin@scottire.net)

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## **EXPERIENCE**

March 2016 -present

**PETER M. SCOTTI & ASSOCIATES, Providence, RI**

### **Certified General Appraiser**

Real Estate Appraisal and Sales firm.

Appraiser Trainee assisting in the formation of narrative and form appraisal reports for income producing and other properties to determine market valuations. These reports are used for mortgage purposes, settlements of estate and real estate tax certiorari.

November 2012 – June 2014

**GOODMAN-MARKS ASSOCIATES, INC. Mineola, NY**

### **Staff Appraiser**

Real Estate Appraisal firm

Staff appraiser producing narrative and form appraisal reports for income producing and other properties to determine market valuations. These reports are used for mortgage purposes, settlements of estate, litigation, real estate tax certiorari and condemnation cases.

## **EDUCATION**

**ST. JOHN'S UNIVERSITY, Jamaica, NY**

## **PROFESSIONAL**

**Appraisal Institute, New York, NY & Woburn, MA**

**American Real Estate School, Hauppauge, NY**

**IVY Real Estate Education Center, New York, NY**

**McKissock Appraisal School**

### **Courses Completed:**

Basic Appraisal Principles

Basic Appraisal Procedures

General Appraiser Market Analysis/Highest and Best Use

General Appraiser Site Valuation and Cost Approach

General Sales Comparison Approach

General Income Approach

General Report Writing & Case Studies

USPAP

Statistics, Modeling & Finance

Commercial Appraisal Review

Expert Witness for Commercial Appraisers

Eminent Domain and Condemnation

Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)

### **License**

Certified General Appraiser License, State of Rhode Island, License #CGA.0020087